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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from _____ to _____

Commission file number 001-41704

Fortrea Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware

92-2796441

(State or other jurisdiction of
incorporation or organization)

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

8 Moore Drive, Durham, North Carolina

27713

(Address of Principal Executive Offices)

(Zip Code)

(877) 495-0816

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	FTRE	The Nasdaq Stock Market LLC
Rights to Purchase Series A Preferred Stock, par value \$0.001 per share	-	The Nasdaq Stock Market LLC

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 and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" 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. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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 §240.1D-1(b).

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

As of June 30, 2025, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of common stock held by non-affiliates of the registrant was approximately \$448.4 million.

The number of shares of the registrant’s common stock, \$0.001 par value per share, outstanding as of February 24, 2026 was 93.5 million.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement for its 2026 annual meeting of stockholders, which is to be filed within 120 days of the registrant’s fiscal year ended December 31, 2025, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Cautionary Statement Concerning Forward-Looking Statements

This Form 10-K and other materials we have filed or will file with the Securities and Exchange Commission (the “SEC”) include or will include forward-looking statements. Some of the forward-looking statements can be identified by the use of terms such as “believes,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” or other comparable terms. These forward-looking statements include all matters that are not related to present facts or current conditions or that are not historical facts. They appear in a number of places throughout this Form 10-K and include statements regarding our intentions, beliefs, or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industries in which we operate and include, without limitation, statements relating to our future performance.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond our control. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry development may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-K. In addition, even if our results of operations, financial condition and liquidity, and industry development are consistent with the forward-looking statements contained in this Form 10-K, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors could cause actual results to differ materially from those contained in or implied by the forward-looking statements, including the risks and uncertainties discussed in Part I, Item 1A. “Risk Factors” of this document. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include, among other things: our dependence on third parties generally to provide services critical to our businesses; our ability to successfully implement our business strategies and execute our long-term value creation strategy; risks and expenses associated with our international operations including but not limited to currency fluctuations and trade policies; our customer or therapeutic area concentrations; our adoption and use of technology within our business and the risks that we may not be able to capture the anticipated benefits of such technology or that such technology may have negative effects; the outcome and impact of pending or future litigation; any deterioration in the macroeconomic environment, particularly within the pharmaceutical and biotechnology industry, which could lead to defaults or cancellations by our customers; the risk that our backlog and net new business may not grow to the extent we anticipate over a specified period of time, that such measures may not be indicative of our future revenues and that we might not realize all of the anticipated future revenue reflected in our backlog; our ability to generate sufficient net new business awards, or the risk that net new business awards are delayed, terminated, reduced in scope, or fail to go to contract; the risk that we may underprice our contracts, overrun our cost estimates, or fail to receive approval for, or experience delays in documentation of change orders; the possibility that Delaware law, our organizational documents, our stockholder rights agreement, and our existing and future debt agreements may impede or discourage a takeover; and other factors described from time to time in documents that we file with the SEC.

All forward-looking statements are made only as of the date of this Form 10-K and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data. For a further discussion of the risks relating to our business, see the Part I, Item 1A. “Risk Factors” of this document.

PART I

ITEM 1. BUSINESS

Overview

Fortrea Holdings Inc. is a leading global contract research organization (“CRO”), providing biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. We provide phase I through IV clinical trial management, clinical pharmacology, and consulting services for our customers. For more than 30 years, we have supported our global pharmaceutical, biotechnology, and medical device customers across more than 20 therapeutic areas, providing agile delivery models that include Full Service, Functional Service Provider (“FSP”), and Hybrid structures. We believe we are well positioned to leverage our global scale, scientific and therapeutic expertise, access to clinical data-driven insights, industry network, and decades of experience to bring customers distinctive, expert solutions.

Our team of approximately 14,300 employees is able to conduct operations in approximately 100 countries. Our solutions streamline the biopharmaceutical product and medical device development process.

Fortrea combines decades of domain expertise with the nimbleness required to meet market demand for flexible engagements with large and small customers, delivering solutions that bring life-changing treatments to patients faster and creating value for all stakeholders. Our expertise in the biopharmaceutical product and medical device development process has enabled us to design service offerings to better meet the needs of customers. We manage our business in one reporting segment — Clinical Services.

Fortrea Holdings Inc. was formed through a spin-off of the CRO business, which we refer to as the “Spin” or the “Separation,” from Labcorp Holdings Inc., which we refer to herein as “Labcorp” or “Former Parent”. All references in this Form 10-K to “Fortrea”, “the Company”, “we”, “our” or “us” refer to Fortrea Holdings Inc., a Delaware corporation, and its subsidiaries, unless otherwise indicated by the context. On June 29, 2023, which we refer to as the “Separation Date,” Fortrea and Labcorp entered into a Separation and Distribution Agreement (the “Separation and Distribution Agreement”). Pursuant to the Separation and Distribution Agreement, Labcorp agreed to spin-off its CRO business into Fortrea, a standalone, publicly traded company. References in this Annual Report on Form 10-K to “our consolidated and combined financial statements,” “our combined financial statements” and similar expressions refer to the combined financial statements of Fortrea and Labcorp due to the fact that as of certain dates and during certain periods presented in the financial statements, Fortrea was still a wholly-owned subsidiary of, and operated under those businesses of, Labcorp.

On March 9, 2024, the Company, together with its wholly-owned subsidiary, Fortrea Inc., entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, to sell the operations of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries; which are all collectively referred to as the Enabling Services Segment. The transaction closed during the second quarter of 2024. Refer to Note 3, “Discontinued Operations” to the audited consolidated and combined financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further discussion.

Our Business

- *Clinical Pharmacology.* We are a recognized leader in clinical pharmacology, known for first-in-human and exploratory clinical pharmacology studies as well as biopharma label support studies. We offer an integrated clinical pharmacology solution that delivers with precision, quality and safety. Our solutions include our clinical research units (“CRUs”) and external partnerships, project management, study design and monitoring, bioanalytics and biomarkers, pharmacokinetics (“PK”), modeling and simulation, and biometrics. Fortrea’s CRUs are located in Leeds, U.K. offering 100 bed capacity; Dallas, Texas with 100 bed capacity; Daytona, Florida with 88 bed capacity; and Madison, Wisconsin with 88 bed capacity. Our offerings include deep expertise in areas such as radiolabeled absorption, metabolism and excretion studies, as well as studies involving normal healthy volunteer and patient populations. All Fortrea CRUs have current good manufacturing practice (“cGMP”) pharmacies within them, enabling on-site manufacture of sterile and non-sterile drug product. A global bedside data capture system has been implemented across all CRUs, enabling increased efficiency and quality, and providing real time access to data.
- *Clinical Development.* We are a leading full-service provider of phase I through IV clinical and real-world evidence (“RWE”) studies with a flexible approach to serving our customers. Clinical Development is Fortrea’s largest offering in terms of annual revenue contribution and has been for the last five years. Services include, but are not limited to, regulatory affairs, protocol design, operational planning, study and site start-up, patient recruitment, project management, comprehensive site and medical monitoring, data management and biostatistics, pharmacovigilance, medical writing, and mobile clinical services. Our service offerings are supported by technological innovations, leveraging strategic relationships with leading technology vendors together with Fortrea’s operational expertise to support more connected patient and site centric solutions, digital health and decentralized clinical trial capabilities. We are making focused investments in artificial intelligence (“AI”), machine learning (“ML”), other advanced technologies, and workflow automation and orchestration to drive speed, agility, quality and enhanced patient safety in clinical research. We focus on rapidly expanding research areas such as oncology, central nervous system and neurodegenerative, metabolic disorders including MASH (metabolic dysfunction-associated steatohepatitis), immunology and inflammation (including autoimmune diseases and rheumatology), rare diseases, and cell and gene therapies. Additionally, we have deep scientific expertise in a broad spectrum of therapeutic areas and diseases, such as cardiovascular disease, nephrology (renal), infectious diseases, dermatology, ophthalmology, respiratory, and women’s health, among others. For instance, during the period from January 2020 to December 2024, we conducted more than 5,930 phase I through IV clinical trial projects involving approximately 1,000,000 subjects. Clinical Development is enhanced by our pharmacology learnings, which we apply to future clinical programs. We also have a medical device and diagnostics offering, which has conducted more than 500 studies during that same period. We believe Fortrea is poised to capture additional market share in the large and expanding development market.

We offer our customers a tailored approach to clinical trial solutions through the use of three delivery models: Full Service, Functional Service Provider, and Hybrid.

- **Full Service.** Integrates multiple disciplines from our service offerings to comprehensively support our customers in their development programs across key geographies. Our service offering integrates protocol design and operational planning, site start-up and patient recruitment, project and program management, comprehensive site and medical monitoring, centralized monitoring and medical data review, clinical and biometrics services, medical writing, and mobile clinical services. Our project-centric approach utilizes dynamic team resourcing with agile role-based structures. This approach allows for more adaptability to trial types with customer-tailored designs.

- **Functional Service Provider.** Offers customers experienced personnel to perform targeted activities throughout their development programs. This approach reduces our customers' need to recruit and train dedicated internal resources which saves on cost and time and enables flexibility. Our service offering delivers comprehensive, strategic solutions designed to adapt to the level of customer control and infrastructure. Our FSP team can provide dedicated offerings in clinical operations, clinical data management, biostatistics, statistical programming, pharmacovigilance, mobile clinical services, and medical writing, among other customized solutions.
- **Hybrid.** Provides the project-centric approach of a Full Service model while integrating FSP models to varying degrees on large portfolios with therapeutic similarities, to drive efficiencies and enhance sponsor control for clinical development. Our ability to tailor our services to customer needs demonstrates the agility we can offer customers across the industry value chain. Fortrea offers this flexibility at a global scale, and we are positioned as a partner of choice for customers that require a tailored approach.
- **Consulting Services.** We provide comprehensive consulting services from product development and regulatory strategy to market access and health economics and outcomes research ("HEOR"), including RWE services. Our teams provide expertise, innovation and support for all product development stages (nonclinical and clinical phases I-IV), for small and large molecules, cell and gene therapies and biosimilars, across multiple therapeutic areas, including rare diseases to help customers define the most appropriate stakeholder strategy, evidence generation, and development pathway to optimize productivity, value and outcomes for life science innovation.

Market Opportunity

CROs provide services to customers to assist in phase I through phase IV clinical trials and commercialization to accelerate the development of and access to safe, effective medical therapies and devices. Developing new biopharmaceutical products and medical devices for the treatment of human disease is a complex, costly, and lengthy process. Prior to commercialization, a biopharmaceutical product or medical device must undergo extensive preclinical and clinical testing as well as regulatory review to demonstrate an acceptable benefit-risk profile by regulatory authorities. As a result, bringing a new biopharmaceutical product to market takes about a decade¹ and costs \$2.23 billion on average.²

The biopharmaceutical product development process consists of three stages: preclinical, clinical, and commercialization. The preclinical process is the stage of research that begins prior to clinical studies and collects data on the feasibility, efficacy, and safety of drugs through experiments outside of the human body. The clinical stage is the most time-consuming and expensive part of the drug development process. During this stage, the product candidate undergoes a series of tests in humans. In phase I, small groups of study volunteers are exposed to ascending doses of the experimental product in order to assess safety and to determine the distribution of the drug and maximally tolerated dose. Preliminary assessment of the relationships between dosage, safety, and effectiveness follow in phase II before expanding to larger trials, phase III, to formally test effectiveness and safety in the target population. Phase IV, or post-approval trials, involves monitoring or verifying the risks and benefits of a drug product that has been approved and on the market.

The clinical development market is a large, attractive and growing market. Phase I-IV clinical development spend by the pharmaceutical and biotechnology industry is forecast to be ~\$145 billion in 2026³. Of this, we estimate the current addressable market for Fortrea to be approximately \$41 billion⁴. Over the next several years, pharmaceutical and biotechnology companies are projected to increase R&D investment, grow their pipelines, and outsource more programs to CROs. We believe these underlying market trends represent a significant opportunity for us.

¹ McKinsey and Company, Operational excellence in biopharma research and early development, January 2025

² Deloitte, Be brave, be bold – Measuring the return from pharmaceutical innovation – 15th edition, March 2025

³ Evaluate Pharma, Citeline, internal analysis

⁴ Evaluate Pharma, Citeline, William Blair, Jefferies, Industry Standard Research, Internal analysis

In addition to the growth in R&D expenditures, an increase in outsourcing has also supported the growth of the CRO sector. Global pharmaceutical and biotechnology companies continue to outsource a significant amount of the biopharmaceutical product development process as they seek therapeutic diversity for their pipelines, target diverse global populations, and require deep scientific research. We believe there are three key trends affecting our end markets and believe that such trends will continue creating an increased demand for our services:

- *Increasing Pharmaceutical and Biotechnology R&D Spend.* Growing R&D investment will help propel the CRO market as new indications are discovered, resulting in a greater demand for clinical trials. Over the past decade, we have seen the biopharma industry leverage science, technology, and AI to advance the level of understanding of the pathogenesis of human disease, and to identify new therapeutic targets and treatments. R&D spend of large biopharmaceutical companies is forecast to grow at approximately 4-5% CAGR over the period 2025-2030. In 2024, biotechnology funding modestly improved from the relative downturn in 2022-23 that followed historically high funding levels stemming from the COVID pandemic. Biotech funding slowed in the first half of 2025 due to policy and macroeconomic headwinds but began to strengthen in the second half of the year. Over the medium to longer term we would anticipate the biotechnology funding environment to reflect more historical levels of solid investments.
- *Expanding Scope of Capabilities.* CROs have successfully expanded the scope of services they are able to offer pharmaceutical, biotechnology, and medical device companies, increasing the addressable market that they serve. Examples include the expansion of decentralized trial (“DCT”) services, global logistics, and management of highly complex biologics and cell and gene therapy trials. The need for biopharmaceutical companies to expand the commercial potential of their products internationally has been a catalyst for the increasingly global nature of clinical trials. CROs that can capitalize on extensive datasets to inform decisions and increase efficiency in executing international clinical trials have benefited from these changing dynamics. With the continued growth of biologics and advanced therapies, such as cell and gene therapies, in R&D pipelines additional complex clinical trial capabilities will also be required from CROs. We are built to handle the increased complexity and global demand that underpin these industry tailwinds.
- *Elevated Outsourcing Levels.* As large biopharmaceutical companies seek to reduce the cost and time to develop biopharmaceutical products, and periodically reprioritize their pipeline investments, they have increasingly relied on CROs for services to preserve flexibility and reduce costs associated with clinical trials and improve time to market. While some companies anticipate a reduction in Full Service in the near-term, they expect increased use of Functional Service Provider models. Both Full Service and Functional Service Provider delivery models create demand for CROs, and we believe Fortrea is well positioned as we offer flexible delivery models to the industry. According to multiple industry investment sources, the CRO market is expected to grow more slowly in the short term, and return to a higher growth rate in the longer term.

Despite the large, attractive and growing market that Fortrea operates in, our business is subject to a number of risks inherent to our industry, including our customers' ability to access sufficient funding to run clinical trials, our ability to generate net new business awards or our new business awards being delayed, terminated, reduced in scope, or failing to go to contract, and our ability to contract with suitable investigators and recruit and enroll patients for clinical trials, among others. Any number of these factors could impact our business, and there is no guarantee that our historical performance will be predictive of our future operational and financial performance. For a description of the challenges we face and the risks and limitations that could harm our prospects, see Part I, Item 1A. "Risk Factors" included elsewhere in this Annual Report on Form 10-K.

Competitive Strengths

We believe we are strategically positioned to serve the pharmaceutical, biotechnology, and medical device industries. Our credibility and reputation in the market is a direct result of our multi-decade track record of operational execution and effective flexible solutions. Our competitive strengths include:

Extensive History as a Market Leader Across Clinical Development

We have more than 30 years of experience providing clinical development services to the pharmaceutical, biotechnology, and medical device industries. We have an extensive history as a leading organization with a differentiated service offering. We believe that our commitment to continuous service and technology innovations combined with Fortrea's tailored approach to serve both biotechnology and large biopharmaceutical companies and experience across more than 20 therapeutic areas enables us to continue to differentiate ourselves from peers in the CRO industry.

Large and Diversified Customer Base

We have a balanced and diverse customer mix serving large, mid-size, small and emerging pharmaceutical, biotechnology, and medical device organizations. As of the fiscal year ended 2025, one customer accounted for approximately 18.1% of our revenue. In 2025, 56% of our revenue came from leading pharmaceutical customers. We seek to be the partner of choice for leading pharmaceutical companies as well as innovative biotechnology companies. We believe our broad customer base positions us at the forefront of innovation in healthcare and allows us to help our customers efficiently bring the best therapeutic solutions to patients.

Global and Stable Customer Relationships

Our scale and expertise are key competitive advantages that make us a multi-dimensional partner for our customers. Our top 20 customers represented approximately 69% of total revenue for 2025, 64% for 2024, and 61% for 2023. Additionally, most of our customers use us for more than one service. On average, our customers leverage three or more of our services. We believe that our global capabilities and scientific expertise are considered a differentiator by our top customers. With a portfolio of projects that extend over multiple years, our longer-term contract durations give us confidence and visibility into our future revenues.

Deep Therapeutic Expertise in High Growth Therapeutic Areas

We believe that our focus and expertise across rapidly growing scientific areas provide us with advantages over our competitors. Fortrea's expertise spans oncology, CNS and neurodegenerative disease, metabolic diseases including MASH, immunology and inflammation, cardiovascular, renal, rare disease, cell and gene therapy, ophthalmology and several emerging therapeutic areas. These scientific areas represent the majority of the life sciences industry's existing drug development pipelines.

Oncology makes up a large portion of our business and continues to grow. Over the previous five years, we have completed over 1,200 oncology clinical trials involving approximately 250,000 patients and more than 30,000 investigator sites. In 2025, 40% of our full service therapeutic-based revenue related to oncology studies. In addition to Fortrea's success in oncology, we plan to leverage our capabilities in science, innovation, and technology to successfully capture additional market share across high-growth therapeutic areas.

Site and Patient Centric Approach to Improve Delivery and Outcomes

Fortrea establishes high-value site relationships to support scientific engagement and reduce the time and cost for our customers to develop products. The third-party clinical sites we work with include healthcare systems, dedicated research networks, large group practices, consortiums, and governmental coordinating bodies that represent multiple research partners around the globe. Our Global Site Advisory Board represents a network of more than 400 sites and community partners, as well as our customers. The Advisory Board aims to shape industry best practices and drive process improvement through the adoption of innovative technological solutions at Fortrea. We leverage data-driven approaches to target sites that align with our customers' protocols, with a focus on accelerating patient recruitment, efficiently executing trials with high quality, and enhancing the site experience. We work with key sites to plan, design and win new studies through therapeutic guidance and patient engagement strategies, recognizing the importance of site and patient-centricity in a trial's success.

Fortrea collaborates with top technology innovators in our industry to deliver integrated patient and site centric solutions that streamline the clinical trial experience. We provide sites with a dedicated point of contact, from initial outreach through study close out, to streamline communication.

Fortrea also offers a range of site augmentation services to support sites with selecting trials, identifying and enrolling patients, conducting and closing out of studies. These services include administrative and clinical support, tools, data and analysis to enable sites to be more productive and help to overcome challenges with disparate technologies, complex protocols and their resource constraints.

We are committed to increasing the representation of patient populations within clinical trials, and developed a holistic strategy focused on partnering with customers, sites, investigators, and communities to address this commitment and support the diversity plans expected by global regulatory authorities.

Data Driven Insights to Optimize Trials

Access to data is foundational to any CRO and we believe our arrangements with strategic data partners together with our ability to integrate, analyze and visualize datasets provide a higher quality of insights to our customers. We leverage these insights to improve study design and feasibility, identify high-performing investigator sites, accelerate recruitment, and improve retention of patients in studies, among other uses. We continue to explore new data sources that enrich the breadth and depth of our geographic, therapeutic and site datasets.

Pursue Ideal Scale Combining Global Delivery with Agility and Customer Intimacy

The landscape for clinical trials is evolving, both with changes to global business practices, and the commercialization strategies of our clients. While the number of novel therapies is increasing, a confluence of factors influence where clinical trials are conducted, including site capacity and patient availability, improvements to regulatory timeframes, changes in the willingness of markets to approve, pay for and distribute therapies, and geopolitical events.

Fortrea has the scale and expertise to advise, design and deliver our customers' programs, projects and programs globally. We are able to conduct trials in approximately 100 countries including all of the major pharmaceutical and biotechnology markets. Fortrea's approximately 14,300 employees are strategically balanced throughout the world, with employee breakdown by region of: 26% in the Americas, 27% in EMEA, and 47% in Asia-Pacific. Fortrea has invested in building centralized capability hubs for efficient processing of trial activities, supporting site and customer-facing teams. We will continue to strategically invest in markets to meet the needs of our customers and the demands of the global clinical trial landscape.

We believe our size also offers advantages in more efficient decision making and increased accessibility to key leaders.

Growth and Margin Expansion Strategy

Our growth and margin expansion strategy builds on Fortrea's strong foundation of more than 30 years delivering clinical research expertise and is meant to align with our customers' evolving priorities. Fortrea's strategy centers on three pillars: commercial excellence, operational excellence and financial excellence, and includes the following elements:

Increase our Reach, Relevance and Repeat Business

We continue efforts to increase our brand awareness, identify new clients and opportunities to expand existing relationships, and to improve our win-rates to drive Fortrea's growth. We are working to leverage data, analytics and AI-enabled tools to support the identification, targeting and qualification of prospects; bring the right expertise into early engagement with customers; tailor and sharpen our value propositions; upskill our commercial and account management teams; increase senior management engagement with customers; and focus on consistently delivering. Through these initiatives, we aim to grow our reach, relevance and repeat business.

Lead with Scientific and Therapeutic Expertise, Expand in Existing and Novel Therapeutic Areas

We believe our therapeutic expertise across phase I through phase IV of drug development is critical to early engagement with customers and to optimizing the design and management of clinical trials. Our expertise helps us deliver enhanced value to customers through a reduction in the cost and time to bring drugs and devices to market. We have significant expertise in several rapidly growing scientific areas including oncology, CNS and neurodegenerative disease, metabolic diseases including MASH, immunology and inflammation, cardiovascular, renal, rare disease, cell and gene therapy, ophthalmology, and several emerging therapeutic areas. The oncology market remains an area of unmet medical need that receives significant investment in R&D. As part of our mission to drive value for customers, we continue to try to capitalize on the expansion of opportunities in these important, growing therapeutic areas. While Fortrea has significant expertise and experience in these scientific areas, we believe that there is ample opportunity for future growth.

Build on Strengths in Clinical Pharmacology

We are a market leader in clinical pharmacology studies, known for first-in-human and exploratory clinical pharmacology studies as well as biopharma label supporting studies. Our integrated clinical pharmacology solution supports the increasing complexity in early phase trials with precision, quality and safety. We are focused on increasing the utilization of our units and expanding the wraparound services we offer. We seek to optimize delivery in more complex hybrid study designs that include both healthy volunteers and patients through the utilization of our four clinics in combination with a global site network to expand our service offerings into phase 1B studies in patients and serve as investigator sites for phase 2 studies and vaccine studies.

Selective Investment in Technology, Data and Application of Artificial Intelligence (AI) for Speed and Simplification

Fortrea takes a focused, digital-led approach to technology, investing selectively in platforms, data assets, AI, ML, other advanced technologies, workflow automation and orchestration that accelerate trial execution and drive quality and simplification across clinical development.

The digital and technology landscape for clinical trials has evolved rapidly over the last decade, with proliferation of digital health and trial solutions, wider availability of electronic medical record and patient generated health data supporting the rise of decentralized trial models, real-world data integration, and analytics. The use of AI, ML and other advanced technologies in clinical research is still relatively early in adoption, but promises further improvement in study design, site selection, patient recruitment and engagement, and streamlining of operational processes.

Fortrea integrates its in-house datasets, those from strategic data partners and a broad range of additional third parties, using proprietary analytics and AI-enabled tools to guide protocol design, optimize study feasibility, identify diverse sites and patients, and accelerate study delivery. We continue to explore new data sources that enrich the breadth and depth of our geographic, therapeutic and site data sets.

Fortrea has strategic relationships with a number of leading technology vendors in the industry, including Advarra, Cognizant, Medidata and Veeva among others. We bring together digital solutions with Fortrea's operational expertise to support more connected patient and site centric solutions, digital health and DCT capabilities that streamline the clinical trial experience and to enable Fortrea's digital transformation.

We are making focused investments in AI, ML, other advanced technologies, and workflow automation and orchestration to drive speed, agility, quality and enhanced patient safety in clinical research. In 2025, we made solid progress with the modernization of our Xcellerate platform, which supports Risk Based Quality Management, central monitoring, and study oversight across our portfolio of projects. We also released an initial version of our CRA mobile app and digital assistant and plan to scale its rollout and enhance its features going forward. In addition, we leverage tools such as Microsoft ML/AI Foundry and Microsoft Copilot broadly across our enterprise to enhance employee productivity. Our approach is compliant with "Ethical Artificial Intelligence," which refers to AI systems designed and deployed in alignment with principles such as fairness, transparency, accountability, privacy and respect for human rights. We strive to ensure our AI systems operate responsibly, balancing innovation with societal values while minimizing harm and bias. We plan to continue to invest in our capabilities, our ability to generate insights through data and analytics, reduce cost, and increase the speed and efficiency of clinical trial execution to enhance the quality and value of our offerings for our customers.

Become the Partner of Choice for Pharmaceutical, Biotechnology and Medical Device Companies

Fortrea partners with pharmaceutical, biotechnology and medical device companies of all sizes, from small/emerging, mid-size, and large. Our customers are looking for flexible and agile solutions to support their strategies, competencies and geographic priorities. We tailor solutions for each customer, and aim to develop long-term, trusted relationships that create value for both parties. Early sharing of development and pipeline goals, protocols and issues by all parties combined with strong relationship and program management increase efficiency and promote the adoption of innovative delivery models.

Fortrea supports many small and mid-size customers through contributing scientific, therapeutic, regulatory, commercial and operational expertise and insights to help shape their clinical development strategy and protocol design to achieve their goals. We offer seamless support across Clinical Pharmacology and Clinical Development, reducing white space between phases. We provide expert full-service teams, data-driven site selection and patient-centric recruitment approaches to deliver their studies with agility and flexibility, underpinned by quality. We support customers from early to late phase, both locally with country-level regulatory and operational capabilities, and regionally/globally as they seek to broaden their strategy to key global markets. We will continue to expand our small and mid-size customer base and to build long-tenured partnerships with these customers, enhancing our biotech operating model and offerings to meet their needs.

Fortrea also supports leading large pharmaceutical customers as a preferred provider for services across our range of offerings, including Clinical Pharmacology, Phase I-IV Full Service, Consulting Services, Clinical/Biometrics/Safety FSP, and Hybrid models that combine Full Service and FSP. Customers are seeking to drive acceleration of their pipelines, deliver superior performance, and achieve significant cost reductions in R&D. They look to Fortrea for a partnership rooted in trust and transparency, cultural alignment, access to innovative approaches, highly flexible offerings to meet their evolving needs and those of the changing drug development landscape, and solutions that are adapted to their custom approach. We will continue to provide high levels of service and to expand existing partnerships, as well as to add new partnerships where there is a strong strategic alignment.

Fortrea believes that excellence in project management is foundational to the consistency of delivery for customers of all sizes and types. We continue to embed a disciplined, quality-centric approach and to increase access to training, tools, technology and infrastructure to support world-class project management.

Create an Inclusive Culture for Careers with Meaning as a Competitive Advantage

Fortrea's employees are motivated by our purpose of delivering solutions that bring life-changing medicines to patients faster, and we are committed to making Fortrea an engaging place where talented professionals can grow and advance their careers.

Fortrea's distinctive culture is underpinned by FOUR cultural beliefs that guide how we care and deliver:

- Forward Together - I partner with my customers to understand their needs and achieve results together
- Own It - I hold myself accountable and work across perceived boundaries to find solutions and deliver
- Uphold Integrity - I do the right things in the right way, with the safety of patients and research volunteers always coming first
- Respect People - I am inclusive, seek feedback and create positive experiences for all

In addition, we plan to continue our investments in global early talent development; career paths; a broad range of learning and development opportunities; our Responsible People Practices Advisory Committee to operationalize people initiatives throughout the organization; and Employee Resource Groups ("ERG"). These initiatives are supported by investments in process and technology that benefit both our workforce and our customers.

Margin Expansion

Fortrea believes we have the opportunity to increase our operating margin over time. We maintain a disciplined approach to pricing and to managing the mix of our business to improve the quality of our backlog and support margin expansion. We continue to focus on right-sizing the organization to match resources to demand and to improve efficiencies in operations and SG&A while protecting delivery quality. We anticipate that with revenue growth we can drive operating leverage across both operations and SG&A.

Competition

Our operations in the drug development services industry involve high levels of competition, consisting of hundreds of small, limited-scope service providers, and a smaller number of large full-service drug development companies. While the industry has seen an increasing level of consolidation over the past several years, primarily driven by the larger full-service providers, it remains highly fragmented.

Our main competition consists of these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology, and medical device companies and, to a lesser extent, select universities and teaching hospitals and site management organizations.

We believe our success with customers has been rooted in transparent partnerships that offer agile solutions and support speed to market. We believe we are positioned to be more flexible and customer-focused than our larger competition while offering the global scale that our smaller competition lacks.

Customer Service and Marketing

Fortrea's global sales and operations teams provide dedicated customer support across pharmaceutical, biotechnology, and medical device customers, with active involvement from our senior leaders. We have a highly focused, experienced, and trained team of professional business development, account management, and support staff working on securing, servicing, and expanding business from both new and existing customers. This team leverages the relevant subject matter experts from across Fortrea to develop innovative solutions to our customers' needs.

We aspire to provide world class customer relationship management through the collaboration of scientific, regulatory, operational, and technical staff with our business development, customer facing project personnel, and senior leadership teams. From the first touchpoint with a potential customer, we engage our therapeutic, scientific, and project personnel to build an understanding of the customer's unique needs and culture. They remain embedded through the development of the opportunity and throughout the life of the project, program or partnership. This strategy allows us to consult collaboratively with our customers throughout the lifecycle of our engagement.

As part of our ongoing commitment to customer service quality, Fortrea has instituted regular check-ins by senior leaders with customers in addition to our ongoing program of customer feedback surveys.

Our marketing efforts support the activities of our business development and customer facing staff. Our global marketing initiatives include integrated, digitally enabled, omni-channel campaigns and communication programs designed to help customers research our services, understand our differentiation, learn more about our capabilities and provide avenues to make it easier to engage with Fortrea. Beyond our customers, marketing initiatives engage a wide range of stakeholders including investigator sites, patients, healthy volunteers, and thought leaders. We provide our perspective on current industry challenges and developments to create an ongoing dialogue with our current and prospective customers and collaborators and to promote our scientific expertise, differentiated service offerings, quality, and technology.

Human Capital

Mission and Culture

We take pride in bringing together a diverse and experienced global workforce that enables advances in medicine that improve lives. Our team of approximately 14,300 employees is able to conduct operations in approximately 100 countries and stands behind our purpose of delivering solutions that bring life-changing treatments to patients faster and creating lasting value for all stakeholders.

Workforce Demographics

Our success is rooted in our sustained ability to attract, develop, and retain a highly specialized and skilled global workforce. Employees are globally dispersed, with 26% in the Americas, 27% in EMEA, and 47% in Asia-Pacific. Of our global workforce, 97% of our employees are full time, and 3% are part time.

Responsible People Practices

Fortrea thrives on an inclusive culture of excellence and is a company dedicated to the idea that people at all levels of our organization should be supported to contribute at the highest levels each day. Respecting people and upholding integrity go beyond our cultural belief system; they are woven into our DNA. We believe in cultivating a workplace where all employees can thrive.

Our focus on responsible people practices is core to our purpose and strategy. Our company ethos is to promote the voice of all employees. All employees are responsible for upholding our Code of Conduct, which forms the foundation of our personnel and ethics policies and practices.

Building on our CEO's signing of the CEO Action Pledge, we continue to collaborate with the broader business community to drive meaningful change in advancing responsible people practices in the workplace. Over the past year, we have strengthened our commitment by implementing initiatives that foster open dialogue and promote opportunity across all levels of our organization. Our global ERGs are important levers in driving our culture of inclusion and belonging. Open to all employees, they represent our diverse population and are led by employee volunteers to foster connections, encourage belonging, support career development, and champion employee voices.

Workforce Diversity Profile:

Our diversity profile as of December 31, 2025:

In the United States, approximately 59% of our employees identify as white and approximately 41% identify as a minority, including 13% who identify as Black or African American. Approximately 69% of our employees globally identify as female and approximately 60% of employees worldwide at management levels identify as female.

Fortrea intentionally crafted a strategic framework that focuses on our people (internally) and the patients our customers serve and other partners (externally). Our broad global footprint enables us to leverage broad and deep experience and ideas, and this is reflected in global representation across our management and leadership. Our people strategy is designed to grow and further evolve in alignment with the changing dynamics of the global workforce.

Employee Listening and Engagement

Since becoming an independent company, Fortrea has strengthened its commitment to employee listening and connection, placing a deliberate emphasis on building meaningful, in-person relationships between our executive team and employees. This creates a deeper understanding of local experiences and strengthens trust through visible, accessible leadership. These discussions, alongside our continued commitment to annual engagement surveys and pulse checks throughout the year, lay the foundation for Fortrea's global engagement program. Participation remains strong, reflecting employees' willingness to share feedback and actively partner in shaping Fortrea's culture. The insights gathered show consistent alignment with industry benchmarks and demonstrate meaningful progress across key engagement drivers, including collaboration, inclusion, and confidence in leadership. Our continued investment in in-person connection, executive visibility, and robust listening practices underscores Fortrea's commitment to creating an engaging, supportive, and high-performance workplace, one where employee voices are heard, valued, and translated into action.

Learning and Development

Fortrea is committed to fostering a learning environment that supports the development of employee capabilities critical to the execution of our business strategy. Our learning framework is designed to strengthen workforce skills, reinforce regulatory and quality standards, and support career progression across the organization. We regularly assess and enhance our learning portfolio to ensure alignment with operational needs, industry requirements, and the evolving skills necessary for future growth.

To further develop leadership capability across the organization, we launched the Fortrea IMPACT Leaders Program, a new development pathway focused on building core leadership competencies, driving accountability, and equipping leaders to guide high-performing, engaged teams in a rapidly evolving environment. This program represents a significant investment in developing our next generation of leaders and supporting a consistent, enterprise-wide leadership culture.

In addition, we have expanded our curriculum to include AI-related learning and digital literacy training, ensuring employees are prepared to adopt new technologies that enhance productivity, data-driven decision-making, and operational efficiency. These offerings focus on practical applications of AI in daily work, responsible AI use, and foundational digital capabilities that enable ongoing workforce adaptability.

Together, these learning initiatives reflect Fortrea’s commitment to building a future-ready workforce—one equipped with the skills, tools, and leadership capabilities necessary to support innovation, deliver operational excellence, and continue advancing our mission.

Development Programs

Fortrea provides employees with access to a comprehensive set of development programs spanning the employee lifecycle. These include new-hire onboarding, job-specific functional and therapeutic area training, leadership and professional skills development, cross-cultural training, mentoring, talent management resources, and required regulatory and compliance training. These programs are structured to support role readiness, capability building and adherence to applicable regulatory expectations.

Learning Methods and Delivery

Training is delivered through a blended model that incorporates interactive digital learning, facilitated workshops, scenario-based and experiential learning, mentoring interactions, and on-the-job training. This multimodal approach is intended to accommodate diverse learning needs and enhance accessibility across our global workforce. Program design is informed by employee feedback, business priorities and operational requirements to maintain relevance and effectiveness.

Quality, Evaluation and Governance

Fortrea maintains processes to support an audit-ready learning environment. Learning activities are developed, deployed and tracked using standardized tools and methodologies. We use established evaluation models, including the Kirkpatrick framework, to assess learning effectiveness and to drive ongoing improvement. Centralized governance structures provide oversight of regulatory and project-specific training, helping ensure consistency, compliance and alignment with quality management expectations.

Mentoring

Fortrea’s mentoring program provides structured one-on-one developmental relationships that promote knowledge sharing, skill development and professional growth. Participants are matched to foster meaningful connections between experienced professionals and employees seeking guidance and career support. The program is designed to strengthen engagement, reinforce a culture of continuous development and expand opportunities for learning across the organization.

Talent Strategy

Fortrea has a unified Talent Strategy Group which integrates Learning and Development, Talent Management and Talent Acquisition. This alignment creates a seamless talent ecosystem, spanning attraction, development, and retention while enabling data driven decision making for workforce planning and upskilling. It fosters a unified approach to mitigate talent risks, enhance business agility, foster personal development and strengthen our ability to deliver on global priorities.

Our success depends on attracting, developing, and retaining a highly specialized global workforce. We balance effective labor cost management with creating an environment where employees thrive and deliver lasting value. We prioritize skills development, career transitions, and talent retention, underpinned by a strong commitment to inclusion and continuous learning. Recognizing the importance of external talent, we actively market our people and brand worldwide to remain visible and appealing to top talent in every region.

Talent Acquisition provides a competitive edge through its diverse, global presence and a blend of innovative and traditional recruitment strategies. We assess candidates against clearly defined, role-specific criteria to promote consistency, objectivity, and alignment with business needs. In addition to evaluating current capabilities, we consider indicators of future development, including learning agility, ability to problem-solve, and capacity to assume increased responsibility over time. This approach supports the development of a high-performing workforce while enabling us to attract and retain individuals with diverse backgrounds, experiences, and perspectives.

By building strong relationships with universities, professional networks and engaging with communities across the globe, we ensure Fortrea is fueled by best-in-class expertise and the next generation of talent.

Global Benefits, Compensation, and Rewards

Our compensation strategy is designed to drive sustainable performance and align employee success with shareholder value. We maintain a balanced mix of base salary, variable pay, long-term incentives, and recognition awards to attract and retain top talent in a competitive market. We believe this structure reinforces accountability for results, fosters long-term engagement, and supports the execution of our corporate objectives. By linking compensation directly to performance, we are incenting our workforce to remain focused on delivering outcomes that advance our strategic priorities and create value for customers and investors.

We believe that employee well-being is foundational to long-term value creation. Our benefits offerings are designed to support health, balance, flexibility, and professional growth across the organization. We provide competitive health coverage, retirement programs, wellness initiatives, paid time off, flexible work options, and continuous learning opportunities, reflecting our commitment to attracting, developing, and retaining talent.

Health and Safety

The health and safety of our employees is of primary importance. As such, we have established numerous employee health and safety protocols, including engineering and administrative controls, policies, procedures, processes and training to minimize the potential for, and the severity of, work-related injuries and illnesses.

Intellectual Property

In the course of conducting our business, we have developed, and continue to develop and use, proprietary software, systems, processes, databases and other intellectual property. We seek to protect our proprietary and confidential information and trade secrets through confidentiality agreements with employees, customers, and other third parties, as well as through administrative and technical safeguards. We rely on patent, copyright, and trademark laws, as may be appropriate and applicable, to protect our other intellectual property rights. For example, we have applied for and/or obtained and maintain registration in the U.S. and other countries for numerous trademarks, including Fortrea. We also enter into agreements with third parties for the license and use of their intellectual property. We believe, however, that no single patent, technology, trademark, license, or other intellectual property asset is material to the business as a whole.

Indemnification and Insurance

Our business exposes us to potential liability including, but not limited to, potential liability for (i) breach of contract or negligence claims by our customers, (ii) non-compliance with applicable laws and regulations and (iii) third-party claims in connection with our performance of drug development services (for example, patient claims for personal injury). In certain circumstances, we may also be liable for the acts or omissions of others, such as suppliers of goods or services.

We attempt to manage our potential liability to third parties through contractual protection (such as indemnification and limitation of liability provisions) in our contracts with customers and others, and through insurance. The contractual indemnification provisions vary in scope and generally do not protect us against all potential liabilities, such as liability arising out of our gross negligence or willful misconduct. In addition, in the event that we seek to enforce such an indemnification provision, the indemnifying party may not have sufficient resources to fully satisfy its indemnification obligations or may otherwise not comply with its contractual obligations.

We generally require our customers and other counterparties to maintain adequate insurance, and we currently maintain errors, omissions and professional liability insurance coverage with limits we believe to be appropriate. This insurance generally provides coverage, subject to self-insured retentions, for vicarious liability due to the negligence of the providers who contract with us, as well as claims by our customers that a clinical trial was compromised due to an error or omission from us. The coverage provided by such insurance may not be adequate for all claims made and such claims may be contested by applicable insurance carriers.

Government Regulation

Regulation of Drugs and Biologics

The development, testing, manufacturing, labeling, storage, approval, promotion, marketing, distribution and post-approval monitoring and reporting of pharmaceutical, biological and medical device products are subject to rigorous regulation by numerous governmental authorities in the U.S. at the federal, state and local level, including the Food and Drug Administration (“FDA”), as well as those of other countries, such as the European Medicines Agency (“EMA”) in the European Union, the Medicines and Healthcare products Regulatory Agency (“MHRA”) in the U.K., the National Medical Products Administration (“NMPA”) in China and the Pharmaceuticals and Medical Devices Agency (“PMDA”) in Japan. These regulations apply to our customers and are generally applicable to us when we are providing services to our customers, either as a result of their direct applicability, through a transfer of regulatory obligations from our customers, or as a consequence of acting as local legal representative on behalf of our customers in a particular country or countries. Consequently, we must comply with all relevant laws and regulations in the conduct of our services.

Clinical trials are subject to the laws and regulations of the country where the trials are conducted. The industry standard for the conduct of clinical trials is embodied in the FDA’s regulations for IRB/IECs, investigators and sponsors/monitors. These regulations collectively are termed GCP by industry, and the Good Clinical Practice (“GCP”) guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (“ICH”) have been agreed upon by industry and regulatory representatives from the U.S., the European Union and Japan. GCP requirements address, among other things, IRBs, qualified investigators, informed consent, recordkeeping and reporting and data governance. These laws and regulations might not be similar to the laws and regulations administered by the FDA, and other laws and regulations regarding the protections of patient safety and privacy and the control of study pharmaceuticals, medical devices or other materials may apply. FDA laws and regulations may apply to clinical studies conducted outside the U.S. if, for example, such studies are conducted under an investigational new drug application (“IND”) or offered as support for an NDA.

Prior to commencing human clinical trials in the U.S., a company developing a new drug must file an IND with the FDA. The IND must include information about preclinical tests, manufacturing and control data, and a study protocol for the proposed clinical trial of the drug in humans. If the FDA does not object in writing within 30 days after filing, the IND becomes effective and the clinical trial may begin. A separate submission to an existing IND must also be made for each successive clinical trial conducted during product development. Each clinical trial must be conducted in accordance with an effective IND. Similarly, the development of new medical devices in the U.S. requires an IDE (investigational device exemption) application, unless exempt, prior to conducting human clinical trials. For therapeutic and diagnostic products that combine drugs, devices, and/or biological products, these are considered combination products. The FDA will make a determination based on the prior mode of action as to which FDA center will take the lead on the review. Nonetheless, due to the nature of combination products, there can still be differences in regulatory pathways for each component. These differences can impact regulatory processes for all aspects of product development and management, including preclinical tests, clinical studies, manufacturing and control data as well as adverse event reporting.

The study protocol must also be reviewed and approved by an IRB/IEC for each principal investigator's site in which a study is proposed to be conducted, and each IRB/IEC may impose additional requirements on the conduct of the study in its institution. IRB/IECs have the authority to review, approve and monitor clinical trials, and clinical trials are subject to oversight by IRB/IECs. In addition, certain services, such as manufacturing of investigational medicinal products for use in phase I clinical trials, must conform to cGMP. cGMP requirements provide for systems with proper design, monitoring and control of manufacturing processes to maintain the identity, strength, quality and purity of medicinal products. Regulatory authorities enforce GCP and cGMP requirements through periodic inspections, and violations of GCP or cGMP requirements could result in enforcement actions including the issuance of warning letters, civil penalties, product recalls, criminal prosecutions or debarment from involvement in the submission of New Drug Applications/Biologics License Applications ("NDAs" and "BLAs", respectively). Our global standard operating procedures are written in accordance with all applicable global regulations, including ICH. This enables our work to be conducted locally, regionally and globally to standards that meet all currently applicable regulatory requirements. We must also maintain records and documentation in compliance with applicable regulatory requirements for each study for auditing by the customer and regulatory authorities.

In order to comply with GCP and other regulations, sponsors of clinical trials must, among other things:

- comply with specific requirements governing the selection of qualified investigators;
- obtain specific written commitments from the investigators;
- obtain IRB/IEC review and approval of the clinical trial;
- verify that appropriate patient informed consent is obtained before the patient participates in a clinical trial;
- ensure adverse drug reactions resulting from the administration of a drug or biologic during a clinical trial are medically evaluated and reported in a timely manner;
- monitor the validity and accuracy of data;
- maintain records regarding drug or biologic dispensing and disposition;
- instruct investigators and study staff to maintain records and reports; and
- permit appropriate governmental authorities access to data for review.

If a clinical trial is not conducted in accordance with regulatory requirements, the applicable regulatory agency may require that a clinical trial be modified, suspended or terminated, and we or our customers may be subject to a variety of sanctions. For example, violations could result, depending on the nature of the violation and the type of product involved, in the issuance of a warning or untitled letter, suspension or termination of a clinical study, refusal to approve clinical trial or marketing applications or withdrawal of such applications, injunction, seizure of investigational products, civil penalties, criminal prosecutions, or debarment from assisting in the submission of NDAs. IRBs may also suspend or terminate research not conducted in accordance with IRB requirements or that has been associated with unexpected serious harm to participants.

After receiving IRB/IEC approval, clinical trials usually start on a small scale to assess safety and then expand to larger trials to test both efficacy and safety in the target population. The trials are generally conducted in three phases (phases I, II and III), which may overlap or be combined. For applications to the FDA, the FDA may require, or sponsors may voluntarily conduct, a fourth phase of clinical trials (phase IV) as a condition of approval or to obtain additional data on the product under investigation, respectively. After the successful completion of the first three clinical phases, a company requests approval for marketing its product by submitting an NDA for a drug or a BLA for a biologic product. NDAs/BLAs are comprehensive filings that include, among other things, the results of all preclinical and clinical studies, information about how the product will be manufactured, additional stability data and proposed labeling. The FDA's review may last from several months to several years. If an NDA/BLA is approved, the product may be marketed in the U.S., subject to any conditions imposed by the FDA as part of its approval. The FDA may require a Risk Evaluation and Mitigation Strategy ("REMS"). REMS may be required by the FDA for a product where serious safety concerns exist in order to help ensure the benefits of the product outweigh its risks. All marketed products require post-marketing safety surveillance.

Regulation of Personal Information

We hold personal and health information relating to individuals who sponsor, support and participate in clinical trials, the possession, retention, use and disclosure of which is highly regulated, both in the U.S. and in other jurisdictions to which we are subject.

In the U.S., we may obtain health information that is subject to the privacy and security requirements of the Health Insurance Portability and Accountability Act (“HIPAA”) and other federal and state privacy and security laws, such as the California Consumer Privacy Act (“CCPA”) and the California Privacy Rights Act. Although we are not directly subject to HIPAA, we are still prohibited from knowingly obtaining, using or disclosing individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA.

We are also subject to privacy and security laws of other countries. For example, in the European Economic Area, we are subject to the EU General Data Protection Regulation, and in the U.K., we are subject to the U.K. data protection regime consisting primarily of the U.K. General Data Protection Regulation and the U.K. Data Protection Act 2018 (together the EU and U.K. data protection regulations are referred to as “GDPR”) and the U.K. Data (Use and Access) Act (“DUA”). In India, we are subject to the Digital Personal Data Protection Act (“DPDPA”) to the extent the terms are currently in force and the Digital Data Protection Rules (“DDPR”) that came into force in November 2025. We understand that implementation of DPDPA and DDPR is in phases with full implementation anticipated in May 2027. In China, we are subject to privacy and data security and cyber security laws including Personal Information Protection Law. We are aware of the need to continue to train our staff of local privacy requirements as we expand our business in China. In Australia, we are subject to the Privacy Act, in Canada, the Personal Information Protection and electronic Documents Act, and in Brazil, Law No. 13.709 of 14 August 2018, General Personal Data Protection Law (as amended by Law No. 13.853 of 8 July 2019). In addition, similar data protection regulations addressing access, use, disclosure, and transfer of personal data have been enacted or updated in other regions where we do business.

We have established processes and frameworks, including appropriate technical and organizational safeguards, to protect the personal and health information we collect, process and otherwise maintain. We are also subject to privacy and security obligations as part of our contractual commitments with our customers and affiliates. If we fail to perform our services in accordance with these processes, frameworks and contractual commitments, we could be subject to monetary fines, civil penalties or criminal sanctions as are described in Part I, Item 1A. “Risk Factors—Risks Relating to Regulatory and Compliance Matters—Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to our reputation with customers and have a material adverse effect upon our business.”

As AI is adopted within the industry, we are aware of the risks to clinical trials in the potential for re-identification of study subjects particularly in smaller populations. We have established an AI Governance Committee to risk assess our use of AI in relation to our business. We also comply with our obligations under the EU AI Act. We have adapted our AI privacy assessments of third-party providers to incorporate enhanced questions for our AI assessments.

We anticipate ongoing privacy, data security, and artificial intelligence laws being developed, adapted or changed over the coming year and will continue to assess and adapt as required.

Anti-Corruption Laws and Regulations

We are subject to various U.S. and non-U.S. anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”) and the U.K. Bribery Act (the “Bribery Act”). Various worldwide anti-corruption laws such as the FCPA and the Bribery Act prohibit us and our officers, directors, employees and third parties acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to a “foreign official” for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA further requires us to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. The Bribery Act also prohibits “commercial” bribery and accepting bribes. We operate in some parts of the world where corruption may be common and where anti-corruption laws may conflict to some degree with local customs and practices. We maintain an anti-corruption program including policies, procedures, training and safeguards in the engagement and management of third parties acting on our behalf. Despite these safeguards, we cannot guarantee protection from corrupt acts committed by employees or third parties associated with our Company.

Our global business operations also must be conducted in compliance with applicable export controls and economic sanctions laws and regulations, including those administered by the U.S. Treasury’s Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council, the European Union, His Majesty’s Treasury and other relevant sanctions authorities.

Violations of these anti-corruption laws or export controls and economic sanctions laws and regulations, or even allegations of such violations, could disrupt our business and result in a material adverse effect on our reputation, business, results of operations, financial condition and/or cash flows. For example, violations may result in criminal or civil penalties, disgorgement of profits, related stockholder lawsuits and other remedial measures, and companies that violate these laws can be debarred by the U.S. government and lose U.S. export privileges. In addition, U.S. or other governments might seek to hold us liable for successor liability for FCPA violations or violations of other anti-corruption laws committed by companies that we acquire or in which we invest, or by or on behalf of persons working for or representing our Company. Future changes in anti-corruption, export control or economic sanctions laws, regulations or enforcement could also result in increased compliance requirements and related costs which could have a material adverse effect on our business, results of operations, financial condition and/or cash flows.

Environment, Health, and Safety

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

We are committed to conducting research in a sustainable manner, in line with applicable regulatory standards and customer requirements.

We seek to comply with all relevant environmental and employee health and safety laws and regulations. Failure to comply could subject us to various administrative and/or other enforcement actions.

Controlled Substances

We handle controlled substances as part of the services we provide in clinical trials. The use of controlled substances in testing for drugs of abuse is regulated by the U.S. Drug Enforcement Administration and similar agencies in other countries. We seek to conduct our business in compliance with these regulations as applicable. Violations of these rules may result in criminal and civil fines and penalties.

Properties

As of December 31, 2025, we had 62 operating facilities located in 42 countries. Our corporate headquarters and principal executive offices are at 8 Moore Drive, Durham, NC 27713, and our telephone number is (877) 495-0816. Our website address is www.fortrea.com. The information contained in, or accessible through, our website does not constitute a part of this Annual Report on Form 10-K.

Available Information

Our website address is www.fortrea.com, and our investor relations website is located at <http://ir.fortrea.com>. Copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and our proxy statement for our annual meetings of stockholders, and any amendments to those reports, as well as Section 16 reports filed by our insiders, are available free of charge on our website as soon as reasonably practicable after we file the reports with, or furnish the reports to, the Securities and Exchange Commission ("SEC"). In addition, the SEC maintains an Internet site (<http://www.sec.gov>) containing reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Information on the SEC's website does not constitute part of this Annual Report on Form 10-K. Also posted on our website are our certificate of incorporation and by-laws, the charters for our Audit Committee, Management Development and Compensation Committee and Nominating, Corporate Governance and Compliance Committee, our Corporate Governance Guidelines, and our Code of Conduct governing our directors, officers and employees. Within the time period required by the SEC and Nasdaq, we will post on our website any amendment to the Code of Conduct or any waiver of such policy applicable to any of our senior financial officers, executive officers or directors.

ITEM 1A. RISK FACTORS

The following are certain risk factors that could affect our business, financial condition, results of operations, and cash flows. The risks that are highlighted below are not the only risks that we face. Investors should carefully consider each of the following risks and all of the other information contained in this Annual Report on Form 10-K. These risks relate to, among other things, our business and the industry in which we operate or to the securities markets generally and ownership of our common stock. If any of the following risks actually occur, our business, financial condition, results of operations, or cash flows could be negatively affected.

Risk Factor Summary

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading "Risk Factors" and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the SEC, before making an investment decision regarding our common stock.

Risks Relating to Our Business

- Our business, financial condition, results of operations, or cash flows may be materially adversely affected if we do not generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract.
- If we are unable to contract with suitable investigators and recruit and enroll patients for clinical trials, our business might suffer.
- Our international operations could subject us to additional risks and expenses that could adversely impact our business or results of operations.
- Our customer or therapeutic area concentrations may have a material adverse effect on our business, financial condition, results of operations or cash flows.
- Our customers may experience insufficient funding to complete their clinical trials.
- Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.
- An inability to attract and retain experienced and qualified personnel, including key management personnel and increased personnel costs, could adversely affect our business.
- We depend on third parties to provide services critical to our business and depend on them to comply with applicable laws and regulations.
- Our business is dependent upon access to data and an inability to access the necessary data from our data partners on commercially reasonable terms or at all could adversely affect our business.
- If we are unable to maintain effective internal controls, our business, financial condition, results of operations, and cash flows could be materially adversely affected.
- Our effective income tax rate may fluctuate, which could adversely affect our operations.

Risks Relating to Regulatory and Compliance Matters

- Failure to comply with the regulations of pharmaceutical and medical device regulatory agencies could result in sanctions and/or remedies against us and have a material adverse effect on us.
- Changes in government regulation or in practices relating to the pharmaceutical, biotechnology, or medical device industries could decrease the need for certain services that we provide.
- Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to our reputation with customers and have a material adverse effect upon our business.
- Failure to comply with federal, state, and foreign laws and regulations could result in substantial penalties and our business, financial condition, results of operations, cash flows, and prospects could be adversely affected.
- Changes in and uncertainty regarding U.S. regulations, government policies, government funding decisions, trade policies or tariffs could have a material adverse effect upon our business.

Risks Relating to Strategic Transactions

- A failure to identify and successfully close and integrate strategic acquisitions or close other strategic transactions could have a material adverse effect on our business objectives and our revenues and profitability.

Risks Relating to Technology and Cybersecurity

- Failure to maintain the security of customer-related information or compliance with security requirements could damage our reputation with customers, cause us to incur substantial additional costs and become subject to litigation and enforcement actions.
- Failure in our IT systems, including hardware and software failures, delays in the operation of computer and communications systems, and the failure to implement new systems or system enhancements may harm us.
- Security breaches and unauthorized access to our data or our customers' data could harm our reputation and adversely affect our business.
- We use internally developed and licensed technology systems to manage various aspects of clinical trials, and failures of these systems, including errors in design, programming or validation, could adversely affect our business.
- Failure to keep pace with rapid technological changes could adversely affect our business.
- Issues in the development, deployment and/or use of AI may result in reputational harm, liability, regulatory action or adversely affect our business, financial condition or results of operations.

Risks Relating to Legal Matters

- Failure to comply with the contractual requirements of our agreements with customers or third-party service providers could result in claims and/or remedies against us and have a material adverse effect on us and our reputation could be harmed.
- Contract research services create liability risk.
- We face risks arising from the restructuring of our operations.
- Failure to obtain, maintain and enforce intellectual property rights could adversely affect us.
- We are subject to continuing contingent liabilities as a result of the Spin which could materially and adversely affect our business, financial condition, results of operations, and cash flows.
- Labcorp has indemnified us for certain liabilities, which may be insufficient to insure us against the full amount of such liabilities, or Labcorp's ability to satisfy its indemnification obligations could be impaired in the future.

Risks Relating to Financial Matters

- We bear financial risk for contracts that, including for reasons beyond our control, may be underpriced, subject to cost overruns, delayed or terminated or reduced in scope.
- Our revenues depend on the pharmaceutical, biotechnology, and medical device industries and the expenditures they make in R&D; any reductions or delays could materially and adversely affect our business, financial condition, results of operations, and cash flows.
- Foreign currency fluctuations and our planned use of financial instruments to limit our exposure to currency fluctuations could expose us to risks and financial losses that may adversely affect our financial condition, liquidity and results of operations.
- Costs associated with our debt and our debt covenants may limit cash flow available to invest in our business.
- We may not be able to access the capital and credit markets on terms that are favorable to us or at all.

Risks Relating to Ownership of Our Common Stock

- Our stockholder rights agreement could discourage, delay, or prevent a change in control over us and may affect the trading price of our common stock.
- Anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control or impact the trading price of our common stock.

Risks Relating to Our Business

If we do not generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract, our business, financial condition, results of operations, or cash flows may be materially adversely affected.

Our business is dependent on our ability to generate net new business from new and existing customers and maintain existing customer contracts. Our inability to generate net new business on a timely basis and subsequently enter into contracts for such awards could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our customer contracts may be delayed or terminated by our customers without significant notice periods. The time between when a project is awarded and when it goes to contract is typically several months, and prior to an award going to contract, our customer can cancel the award without notice. Once an award goes to contract, the majority of our customers can terminate the contract without cause with a notice period that generally ranges from 30 to 90 days. Our contracts may be delayed or terminated by our customers or reduced in scope for a variety of reasons beyond our control, including, but not limited to:

- decisions to forego or terminate a particular trial;
- budgetary limits, unanticipated trial costs or changing priorities;
- actions by governmental and/or regulatory authorities;
- production problems resulting in shortages of the candidate drug being tested;
- failure of products being tested to satisfy safety requirements or efficacy criteria;
- unexpected or undesired clinical results for products;
- insufficient patient enrollment in a trial, competition for patients and/or insufficient principal investigator recruitment;
- the customer's decision to terminate or scale back the development or commercialization of a product or to end a particular project;
- shift of business to a competitor or internal resources; or
- product withdrawal following market launch.

Furthermore, many of our FSP and consulting services are tied to a customer's annual budgets or ad hoc service requests, which can lead to seasonal variability in revenue and less predictability in future revenues. In addition, many of these service contracts provide our customers with the opportunity to internalize the resources provided under the contract and terminate all or a portion of the services we provide under the contract. Our customers may also decide to shift their business to a competitor. Each of these factors could lead to less visibility to future revenues and may result in high volatility in future revenues.

Contract terminations, delays and modifications are a regular part of our business. For example, our full-service projects have been, and may continue to be, negatively impacted by project delays, which impact near term revenue disproportionately. In addition, project delays, downsizings and cancellations, particularly with our FSP delivery models, have impacted our results in the past and might impact them in the future. The loss, reduction in scope or delay of a large project or of multiple projects could have a material adverse effect on our business, results of operations, and financial condition. In addition, we might not realize the full benefits of our backlog.

In the event of termination, our contracts often provide for fees for winding down projects, which include both fees incurred and actual and non-cancellable expenditures and may include a fee to cover a percentage of the remaining professional fees on the project. These fees might not be sufficient for us to maintain our margins, and termination may result in lower resource utilization rates and therefore lower operating margins. In addition, cancellation of a contract or project for the reasons noted above may result in the unwillingness or inability of our customer to satisfy its existing obligations to us, such as payments of accounts receivable, which may in turn result in a material impact to our results of operations and cash flow. Historically, cancellations and delays have negatively impacted our operating results, and they might impact them in the future. In addition, we might not realize the full benefits of our backlog if our customers cancel, delay, or reduce their commitments to us, which may occur if, among other things, a customer decides to shift its business to a competitor or revoke our status as a preferred provider. Thus, the loss or delay of a large business award or the loss or delay of multiple awards could adversely affect our revenues and profitability. Additionally, a change in the timing of a net new business award could affect the period over which we recognize revenue and reduce our revenue in any one quarter.

If we are unable to contract with suitable investigators and recruit and enroll patients for clinical trials, our business might suffer.

The recruitment of physicians, also referred to as investigators, and patients for clinical trials is essential to our business. Investigators are typically located at hospitals, clinics, or other sites and supervise the administration of the investigational drug or device to patients during the course of a clinical trial. Because the successful conduct of a clinical trial at a particular site is often dependent upon the integrity, experience, and capabilities of the investigators conducting the trial, recruiting qualified investigators is critical.

Patients generally include people from the communities in which the clinical trials are conducted. Several of our competitors have purchased site networks or site management organizations as a strategy for priority access to a specific site, which could put us at a competitive disadvantage. Our Clinical Development business could be adversely affected if we are unable to contract with suitable and willing investigators or recruit and enroll patients for clinical trials on a consistent basis. The expanding global nature of clinical trials increases the risk associated with attracting suitable investigators and patients, especially if these trials are conducted in regions where our resources or experience may be more limited. For example, if we are unable to engage investigators to conduct clinical trials as planned or enroll sufficient patients in clinical trials, we might need to expend additional funds to obtain access to more investigators and patients than planned or else be compelled to delay or modify the clinical trial plans, which may result in additional costs to us or cancellation of the clinical trial by our customer. If realized, these risks may also inhibit our ability to attract new business, particularly in certain regions.

Our international operations could subject us to additional risks and expenses that could adversely impact our business or results of operations.

Due to a strategic footprint of primary office locations in five countries with field operations worldwide, our international operations expose us to risks from potential failure to comply with foreign laws and regulations that differ from those under which we operate in the U.S. In addition, we may be adversely affected by other risks of expanded operations in foreign countries, including, but not limited to, compliance with export controls and trade regulations; changes in tax policies or other foreign laws; compliance with foreign labor and employee relations laws and regulations; restrictions on currency repatriation; judicial systems that less strictly enforce contractual rights; countries that do not have clear or well-established laws and regulations concerning issues relating to drug development services; countries that provide less protection for intellectual property rights; procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services; changes in international taxes or tariffs; and geopolitical tensions and acts of war. Further, international operations could subject us to additional expenses that we may not fully anticipate, including those related to enhanced time and resources necessary to comply with foreign laws and regulations, difficulty in collecting accounts receivable and longer collection periods, and difficulties and costs of staffing and managing foreign operations. In some countries, our success will depend in part on our ability to form relationships with local partners. Our inability to identify appropriate partners or reach mutually satisfactory arrangements could adversely affect our business and operations.

Embedded and functional outsourcing services associated with our FSP delivery models could subject us to employment liability, which may cause adverse effects on our business.

With our embedded and functional outsourcing services, we sometimes place employees at the physical workplaces of our customers. The risks of this activity include claims of errors and omissions, misuse or misappropriation of client proprietary information, theft of client property, and torts or other claims under employment liability, co-employment liability, or joint employment liability, as well as claims of misclassification or noncompliance with various employment and staffing laws and regulations. We have policies and guidelines in place to reduce our exposure to such risks, but if we fail to follow these policies and guidelines we may suffer reputational damage, loss of customer relationships and business, monetary damages, fines, and other governmental actions.

Our customer or therapeutic area concentrations may have a material adverse effect on our business, financial condition, results of operations or cash flows.

We experience termination, cancellation and non-renewal of contracts by our customers in the ordinary course of business, and the number and dollar value of cancellations can vary significantly from year to year. If any large customer materially decreases or terminates its relationship with us and we fail to add new customers or expand services to other existing customers to replace lost revenue, our business, financial condition, results of operations or cash flows could be materially adversely affected. For the year ended December 31, 2025, our top ten customers based on revenue accounted for approximately 57% of our consolidated revenue and our top ten customers based on backlog accounted for approximately 54% of our total backlog. For the year ended December 31, 2025, one customer accounted for approximately 18.1% of revenue. It is possible that an even greater portion of our revenues will be attributable to a smaller number of customers in the future, including as a result of our entering into strategic provider relationships with customers. Also, consolidation in our potential customer base results in increased competition for important market segments and fewer available customer accounts.

Additionally, conducting multiple clinical trials and providing other development or post-approval services for different customers in a single therapeutic class involving drugs with the same or similar chemical action may adversely affect our business if some or all of the trials or services are canceled because of new scientific information or regulatory judgments that affect the drugs as a class. Further, concentration in a particular therapeutic class could cause trials we are conducting for our customers to compete with one another for limited resources (e.g., patients, academic interest, funding), which could impact the successful completion or timely execution of these studies, and therefore our business.

Our customers may experience insufficient funding to complete their clinical trials.

Clinical trials can cost hundreds of millions of dollars. A contraction in available funding sources for life science companies can make it harder for our customers to fund the costs of clinical trials. There is a risk that we may initiate clinical trials for our customers, and then customers become unwilling or unable to fund our services or the completion of the clinical trial as a whole. In such a situation, it may be necessary for us to complete or wind down the clinical trial at our own expense due to regulatory or ethical obligations. In these circumstances, we may incur substantial costs and expend resources without compensation from our customer due to their lack of funds, bankruptcy or other negative financial circumstances.

Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.

Our backlog consists of anticipated revenue awarded from contract and pre-contract commitments that are supported by written communications. Once work begins on a project, revenue is recognized over the duration of the project, provided the award has gone to contract. Projects may be canceled or delayed by the customer or delayed by regulatory authorities for reasons beyond our control. To the extent projects are delayed, the timing of our revenue could be adversely affected. In addition, if a customer terminates a contract, we typically would be entitled to receive payment for all services performed up to the termination date and subsequent customer-authorized services related to terminating the canceled project. Typically, however, we have no contractual right to the full amount of the future revenue reflected in our backlog in the event of a contract termination or subsequent changes in scope that reduce the value of the contract. The duration of the projects included in our backlog, and the related revenue recognition, typically range from a few months to several years. Our backlog might not be indicative of our future revenues, and we might not realize all the anticipated future revenue reflected in that backlog. A number of factors may affect the backlog, including:

- the size, complexity, and duration of projects or strategic relationships;
- the cancellation or delay of projects;
- the failure of one or more business awards to go to contract; and
- changes in the scope of work during the course of projects.

The rate at which our backlog converts to revenue may vary over time. The revenue recognition on larger, more global projects could be slower than on smaller, more regional projects for a variety of reasons, including, but not limited to, an extended period of coordination from the time the project is awarded and the actual execution of the contract, as well as an increased timeframe for obtaining the necessary regulatory approvals.

Our backlog as of December 31, 2025 was \$7.7 billion. Although an increase in backlog will generally result in an increase in revenues over time, an increase in backlog at a particular point in time does not necessarily correspond directly to an increase in revenues during any particular period, or at all. The extent to which contracts in backlog will result in revenue depends on many factors, including, but not limited to, delivery against project schedules, scope changes, contract terminations and the nature, duration, and complexity of the contracts, and can vary significantly over time.

Increased competition, including price competition, could have a material adverse effect on our revenues and profitability.

We operate in a highly competitive industry. Competitors in the CRO industry range from hundreds of smaller CROs to a limited number of large CROs with global capabilities. Our main competition consists of these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology and medical device companies and, to a lesser extent, select universities and teaching hospitals. Our services have from time to time experienced periods of increased price competition that had an adverse effect on our revenues and profitability. There is competition among CROs for both customers and potential acquisition candidates. Additionally, few barriers to entering the CRO industry further increases possible new competition. These competitive pressures may affect the attractiveness or profitability of our services and could adversely affect our financial results.

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

The loss of key management personnel or the inability to attract and retain experienced and qualified employees and increased costs related to such personnel and employees could adversely affect the business. There is significant competition for qualified personnel in the CRO industry. In the future, if competition for the services of these professionals increases and, correspondingly, the cost of these professionals increases, we may not be able to continue to attract and retain individuals in our markets. Changes in key management, or the ability to attract and retain qualified personnel, as a result of increased competition for talent, wage growth, or other market factors (including costs) could lead to strategic and operational challenges and uncertainties, distractions of management from other key initiatives, and inefficiencies and increased costs, any of which could adversely affect our business, financial condition, results of operations, and cash flows.

We depend on third parties to provide services critical to our business and depend on them to comply with applicable laws and regulations.

We depend on third parties to provide services critical to our business, including, but not limited to, investigators and clinical trial sites, IT services, laboratory services, third-party transportation and travel providers, freight forwarders and customs brokers, drug depots and distribution centers, suppliers or contract manufacturers of drugs for patients participating in clinical trials, and providers of licensing agreements, maintenance contracts, or other services. In addition, we also rely on third-party CROs and other contract clinical personnel for clinical services either in regions where we have limited resources, or in cases where demand cannot be met by our internal staff. In some circumstances, our customers require that we oversee responsibility for the performance of these third parties as part of our overall service delivery. The failure of any of these third parties to adequately provide us timely critical support services in accordance with applicable laws and regulations and the terms of our agreements with them could have a material adverse effect on our business, results of operations and reputation.

If we are unable to effectively manage our growth, our business could be adversely affected.

To manage our growth, we must continue to attract and retain top personnel and invest in our operating systems. Failure to maintain and enhance both personnel and our systems at reasonable cost may negatively impact our ability to achieve growth and success. We may not be able to enhance our current technology or obtain new technology that will enable our systems to keep pace with industry developments and the sophisticated needs of our customers. The nature and pace of our growth introduces risks associated with quality control and customer dissatisfaction due to delays in performance or other problems. In addition, non-U.S. operations involve the additional risks of assimilating differences in non-U.S. business practices, hiring and retaining personnel and overcoming language barriers. Failure to manage our growth effectively could adversely affect our business.

Our relationships with existing or potential customers who are in competition with each other may adversely impact the extent to which those customers use our services.

The biopharmaceutical industry is highly competitive, and we regularly provide services to customers that are developing competing drugs. Given the adverse competitive interests, customers may discourage us from providing services to a competing customer or potential customer or limit the scope to which competitors can use our services. The loss of, or reduction in, services that we can provide to existing or potential customers may have a material adverse effect on our business, operations, or financial condition.

Our business is dependent upon access to data and an inability to access the necessary data from our data partners on commercially reasonable terms or at all could adversely affect our business.

Access to data is foundational to any CRO. In addition to leveraging our in-house data, Fortrea maintains relationships with a broad range of data providers that provide geographic, therapeutic and site datasets, to support our services. With the continual evolution of data offerings and providers, we evaluate existing and new sources on an ongoing basis. An inability to purchase or access the necessary data from third parties now, or in the future, on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to maintain effective internal controls, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. In addition, our independent registered public accounting firm is required to express an opinion as to the effectiveness of our internal controls over financial reporting. These reporting and other obligations place significant demands on our management and administrative and operational resources, including our accounting and IT resources. If we are unable to maintain effective internal controls, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

Our brand, products or solutions may not be favorably received by our customers.

Building awareness of our brand is an ongoing initiative as we continue to conduct our business under the name Fortrea and certain associated brands, with the potential for new names and systems. Maintaining and continually enhancing the value of our brands is critical to the success of our business. Brand value is based in large part on customer perceptions. Success in promoting and enhancing brand value depends in large part on our ability to provide high-quality products. If we fail to maintain and/or enhance brand recognition associated with the “Fortrea” name, it may affect our relationships with investigator sites or customers, which may adversely affect our ability to generate revenues and could impede our business in a highly competitive industry. Damage to our brand, reputation or loss of customer confidence in our brand or products could result in decreased demand for our products and have a negative impact on our business, results of operations or financial condition.

Epidemics, pandemics, or widespread public health crisis and associated economic repercussions, may have an adverse impact on our business and results of operations.

Epidemics, pandemics, or widespread public health crises, and associated economic repercussions, had a significant impact on our business and operations in the case of COVID-19 and may have an adverse impact our business and operations in the future. Such public health crises may have an adverse impact on our business and results of operations in a number of ways, including, but not limited to, the implementation of travel restrictions from U.S. and foreign governments; the shutdown of businesses in countries in which we operate; delays or challenges in patient enrollment and new clinical trial start-up; challenges in clinical site initiation due to difficulties in recruiting clinical site investigators and clinical site staff shortages; and the interruption of key clinical trial activities such as clinical trial site monitoring. These adverse effects could impact study participants and clinical sites and limit our ability to efficiently provide clinical trial services. In the past, we have been able to work with our customers to develop solutions to limit disruption to clinical trials while following required regulatory guidelines and maintaining quality to ensure the health and well-being of study participants, including alternative assessment methods such as virtual monitoring visits, but if we are unable to do so in the future, that could have an adverse impact on our business.

These and other impacts of a pandemic could also have the effect of heightening many of the other factors described in these “Risk Factors” and other parts of this Annual Report on Form 10-K. Despite our efforts to manage the impacts of COVID-19 or other future outbreaks, including epidemics, pandemics or widespread public health crisis to the Company, the ultimate impacts depend on the severity and duration of a pandemic, including the emergence and spread of variants, the continued availability and effectiveness of vaccines and treatments, and actions taken by governmental authorities and other third parties in response to the pandemic, each of which is uncertain, rapidly changing and difficult to predict. Any of these disruptions could adversely impact our business and results of operations.

Our effective income tax rate may fluctuate, which may adversely affect our operations, earnings and earnings per share.

We are subject to taxes in the U.S. and foreign jurisdictions. Our provision for income taxes is based on a jurisdictional mix of earnings, statutory tax rates and enacted tax rules, including transfer pricing. Enactment of, or changes in the interpretation of, tax legislation or income tax rates globally could materially impact our financial statements. Our effective tax rate and deferred income taxes could be impacted by changes in tax legislation globally, and due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. The Inflation Reduction Act of 2022 (the “IRA”), enacted August 16, 2022, which, among other items, imposes a 15% alternative minimum tax on corporations with three-year average annual adjusted financial statement income exceeding \$1 billion and introduces or extends a number of tax credits to promote clean energy development. We continue to monitor the effects of the IRA and other regulatory developments on our financial condition, operating results, and income tax rate.

We have cumulatively accrued \$10.6 million for income taxes on a portion of the undistributed earnings of our non-U.S. subsidiaries that are not considered permanently reinvested. Certain tax legislation with those foreign jurisdictions could potentially have a material impact on our income tax expense.

Our future effective tax rates could be impacted by changes in the mix of earnings in countries with differing statutory tax rates, changes in the assessment regarding the realization of deferred tax assets, or changes in tax laws and regulations or their interpretation.

In October 2021, the Organization for Economic Co-operation and Development (the “OECD”) announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (the “Framework”), which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy. In December 2021, the OECD released Pillar Two Model Rules defining the global minimum tax rules, which contemplate a minimum tax rate of 15%. An additional “top-up” tax would be incurred in instances where the 15% minimum tax rate is not achieved. To date, various jurisdictions have enacted, or are in the process of enacting, legislation on these rules, and the OECD continues to release additional guidance. Certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement the minimum tax directive. Further, the OECD issued administrative guidance providing transition and safe harbor rules that could delay the impact of the minimum tax directive. We will continue to monitor the implementation of the Framework by the countries in which we operate. There was no additional top-up tax due under the Pillar Two Framework in 2025.

On July 4, 2025, new legislation commonly referred to as the One Big Beautiful Bill Act of 2025 (the “Tax Act”) was signed into law. The Tax Act includes substantial changes to the U.S. federal tax code and broader fiscal policy for tax year 2025 and forward. The Company has recorded any applicable impacts to its tax provision for the year ended December 31, 2025, which were not significant. There are several provisions of the Tax Act that do not go into effect until future tax years but are also not expected to have a significant impact on tax positions as currently recorded.

We are subject to examination by the IRS and other domestic and foreign tax authorities and government bodies. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our income tax and other tax reserves. If our reserves are not sufficient to cover these contingencies, such inadequacy could materially adversely affect our business, prospects, financial condition, operating results, and cash flows.

Risks Relating to Regulatory and Compliance Matters

Failure to comply with the regulations of pharmaceutical and medical device regulatory agencies, such as the FDA, the MHRA in the U.K., the EMA in the European Union, the NMPA in China, and the PMDA in Japan, could result in sanctions and/or remedies against us and have a material adverse effect on us.

The operation of our clinical trials must conform to GCP, as applicable, as well as all other applicable standards and regulations. If we do not comply, we could potentially be subject to civil, criminal or administrative sanctions and/or remedies, including suspension of our ability to conduct clinical studies, and to import or export to or from certain countries, which could have a material adverse effect upon us.

Additionally, certain of our services and activities must conform to cGMP. Failure to maintain compliance with GCP or cGMP regulations and other applicable requirements of various regulatory agencies could result in warning or untitled letters, fines, unanticipated compliance expenditures, suspension of manufacturing, and civil, criminal or administrative sanctions and/or remedies against us, including suspension of our operations, which could have a material adverse effect upon us.

Failure to comply with national, state, local or international environmental, health and safety (“EH&S”) laws and regulations, could result in fines and penalties and loss of licensure, and have a material adverse effect upon our business.

We are subject to laws and regulations relating to the protection of the environment and human health and safety, including laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials, as well as regulations relating to the safety and health of employees. Failure to comply with these laws and regulations could subject us to denial of the right to conduct business, fines, criminal penalties and/or other enforcement actions that could have a material adverse effect on our business. The implementation of new or existing EH&S laws, regulations, and industry and customer standards, and any changes to them, which we cannot predict and which have historically become more stringent over time, could increase our costs and require us to reassess our business priorities. Administrative decisions, legal developments, or other governmental or judicial actions may influence the interpretation or enforcement of EH&S laws, regulations, and industry standards, and may thereby increase compliance or other costs, in the jurisdictions in which we operate. Any of these risks or costs, and our ability to assess, prepare for, and fully comply with future EH&S laws or regulations, could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

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

We assist pharmaceutical, biotechnology and medical device companies in navigating the regulatory approval process. Changes in regulations such as a relaxation in regulatory requirements or the introduction of simplified approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if government efforts to contain drug and medical product and device costs impact profits from such items, or if health insurers were to change their practices with respect to reimbursement for those items, some of our customers may spend less, or reduce their growth in spending on R&D. In the U.S., for example, the Inflation Reduction Act includes provisions authorizing government negotiated pricing for certain drugs and other price restrictions that may have the effect of reducing pharmaceutical and biotechnology manufacturer revenue and investments in the development of new drugs.

In addition, implementation of healthcare reform legislation that adds costs could limit the profits that can be made from the development of new drugs and medical products and devices. This could adversely affect R&D expenditures by such companies, which could in turn decrease the business opportunities available to us both in the U.S. and other countries. New laws or regulations may create a risk of liability, increase our costs or limit our service offerings. The current U.S. presidential administration may further impact the healthcare reform measures implemented under previous administrations and could impose other reform efforts, which could adversely affect our business. The Trump Administration has recently relied on executive orders in lieu of federal legislation to implement regulatory policy and objectives. We may be unable to anticipate changes in regulatory regimes of the U.S. federal government administration and, therefore, be unable to make timely operational or other changes, assuming we are in a position to effectively respond to any such change, which may not be the case, or to ensure compliance with federal regulations or orders. Executive orders or regulatory priorities issued or rescinded by the U.S. federal government administration may require additional capital expenditures or additional costs and may cause a delay or the abandonment of projects which could adversely affect our results of operations or financial condition.

Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to our reputation with customers and have a material adverse effect upon our business.

If we do not comply with existing or new laws and regulations related to protecting the privacy and security of personal or health information, we could be subject to monetary fines, civil penalties or criminal sanctions. In the U.S., we may obtain health information from third parties (e.g., healthcare providers who sponsor trials) that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, collectively referred to as “HIPAA”. Although we are not directly subject to HIPAA, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA. HIPAA generally requires that healthcare providers and other covered entities obtain written authorizations from patients prior to disclosing protected health information of the patient (unless an exception to the authorization requirement applies). If authorization is required and the patient fails to execute an authorization or the authorization fails to contain all required provisions, then we may not be allowed access to and use of the patient’s information and our research support efforts could be impaired or delayed. Furthermore, use and disclosure of protected health information that is provided to us pursuant to a valid patient authorization is subject to the limits set forth in the authorization. Moreover, patients about whom we or our partners obtain information, as well as third parties who share this information with us, may have contractual rights that limit our ability to use and disclose the information. In addition, HIPAA does not replace federal, state, international or other laws to which we may be subject that may grant individuals even greater privacy protections. Federal and state laws that protect the privacy and security of patient information may be subject to enforcement and interpretations by various governmental authorities and courts, resulting in complex compliance issues. For example, we could incur damages under state laws, including pursuant to an action brought by a private party for the wrongful use or disclosure of health information or other personal information.

In the past few years, numerous U.S. states—including California, Virginia, Colorado, Connecticut, Delaware, Indiana, Iowa, Kentucky, Maryland, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, Oregon, Rhode Island, Tennessee and Texas—have enacted or proposed comprehensive privacy laws, reflecting a trend toward more stringent privacy legislation in the U.S. For example, the California Consumer Privacy Act (“CCPA”), which became effective as of January 2020, creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. While the majority of provision went into effect on January 1, 2023, the enforcement of the California Privacy Rights Act (the “CPRA”) began as of July 1, 2023, in California. The CPRA imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also creates a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. As such, additional compliance investment and potential business process changes may still be required. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by the CCPA, the CPRA, or other domestic comprehensive privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

We may also be required to comply with the data privacy and security laws of other countries in which we operate or with which we transfer and receive data. For example, in the European Economic Area, we are subject to the EU General Data Protection Regulation, and in the U.K., we are subject to the U.K. data protection regime consisting primarily of the GDPR and the U.K. Data Protection Act 2018, respectively, which include a range of compliance obligations for subject companies and imposes penalties for noncompliance of up to the greater of €20 million or 4% of worldwide revenue. The U.K. Data (Use and Access) Act 2025 (“DUA”) included further obligations for companies and imposes increased penalties for marketing and cookie non-compliance of up to £17.5 million or 4% of global annual turnover. We have established processes and frameworks to manage compliance with the GDPR and DUA. Potential fines and penalties in the event of a violation of the GDPR and/or DUA could have a material adverse effect on our business and operations. In addition, similar data protection regulations addressing access, use, disclosure and transfer of personal data have been enacted or updated in regions where we do business, including in Asia, Latin America, and Europe. We expect to make changes to our business practices and to incur additional costs associated with compliance with these evolving and complex regulations.

In addition to data protection laws and regulations, government agencies have or are considering (or are adopting) other laws, regulations and guidelines that impact the processing of personal information. For example, the evolving landscape surrounding the use of AI and online advertising may lead to additional compliance costs and could increase our overall risk. Our employees and personnel may use generative AI technologies to perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI, such as the EU Artificial Intelligence Act 2024. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages.

Failure to comply with federal, state, and foreign laws and regulations, including healthcare fraud and abuse laws, anti-corruption laws and regulations, trade sanction laws and regulations, and privacy and security laws and regulations, could result in substantial penalties and our business, financial condition, results of operations, cash flows, and prospects could be adversely affected.

Even though we do not and will not order healthcare services or bill directly to Medicare, Medicaid, or other third-party payers, certain federal, state, and foreign healthcare laws and regulations pertaining to healthcare fraud and abuse, including anti-kickback and anti-inducement laws related to the furnishing of healthcare items and services, are and will be applicable to our business. Such laws also include “Sunshine Act” legislation in various jurisdictions that require us to track and report on payments and other transfers of value to certain healthcare professionals, providers and institutions. Because of the breadth of these laws and the narrowness of available statutory and regulatory exceptions, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If we or our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, imprisonment of employees or others acting on our behalf, and the curtailment or restructuring of our operations, any of which could materially adversely affect our ability to operate our business, our financial results, and our reputation.

International operations may increase our exposure to liabilities under the anti-corruption laws.

Anti-corruption laws in the countries where we conduct business, including the U.S. Foreign Corrupt Practices Act (the “FCPA”), U.K. Bribery Act 2010 (the “Bribery Act”), and similar laws in other jurisdictions, prohibit companies, their employees, agents, representatives, business partners and third-party intermediaries from promising, authorizing, making, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector, including anything of value to a “foreign official” for the purposes of influencing official decisions or obtaining or retaining business, or otherwise obtaining favorable treatment. We operate in some parts of the world where corruption may be common and where anti-corruption laws may conflict to some degree with local customs and practices. We maintain an anti-corruption program including policies, procedures, training and safeguards in the engagement and management of third parties acting on our behalf. Moreover, we continue to evolve business processes, as regulations and business opportunities require, so that compliance risks are appropriately measured, mitigated, and effectively managed in alignment with appropriate risk tolerances. Despite these safeguards, we cannot guarantee protection from corrupt acts committed by employees or third parties associated with us. Violations or allegations of violations of anti-corruption laws could have a significant adverse effect on our business or results of operations.

Changes in and uncertainty regarding U.S. regulations, government policies, government funding decisions, trade policies or tariffs could have a material adverse effect upon our business.

Changes in regulations, government funding, government funding decisions, trade policies, pricing policies and tariffs imposed by the U.S. and other governments could have an impact on our business and our pharmaceutical, biotechnology and medical device customers.

Significant political, trade, or regulatory developments in the jurisdictions in which we operate, such as those stemming from the U.S. administration, are difficult to predict and may have a material adverse effect on us. Similarly, changes in U.S. administration policy or the policies of foreign countries that affect the geopolitical landscape could give rise to circumstances outside our control that could negatively impact our business operations, including movement of data, particularly given our international operations, or could subject us to additional risks and expenses including discriminatory or conflicting trade policies, sanctions or tariffs. The extent and duration of increased tariffs or sanctions and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, including but not limited to negotiations between the U.S. and affected countries, the responses of other countries or regions, and exemptions or exclusions that may be granted. The existing and any further trade restrictions, retaliatory trade measures, sanctions and additional tariffs could result in increased costs, disruptions in global shipping and supply chains, restrictions on access to markets and customers, inability to conduct clinical trials in other countries and impacts on our customers and their R&D budgets and priorities, all of which could adversely affect our results of operations or financial condition. In particular, the exposure among certain of our customers to tariffs, pricing mandates, and trade restrictions along with their limited ability to quickly relocate manufacturing may increase capital requirements and create additional pressure on such customers during what may be a period of reduced investment and could create a risk to growth, which could in turn impact our results of operations or financial condition. We and our customers may not be able to fully mitigate the impact of these operational issues, market forces and increased costs or pass price increases on to our customers. While tariffs, pricing, and other trade measures have not yet had a significant impact on our business or results of operations, we cannot predict further developments, and how they may adversely affect our results of operations or financial condition.

In addition, reductions in funding of government agencies and programs relevant to the pharmaceutical, biotechnology and medical device industries—such as the Food and Drug Administration, the National Institutes of Health, and Medicaid—or changes in funding priorities relevant to the pharmaceutical, biotechnology and medical device industries could adversely affect those industries, which could in turn have an effect on the demand for clinical trials and our business. At this time, it is unclear exactly how changes at the federal and state level, as well as any future changes that are made, will impact the industry, what changes will be made to the healthcare reform measures of prior administrations, or whether the government could impose other reform efforts, whether by statute, regulation or executive order, including what, if any, impact such changes could have on our business. We may be unable to anticipate changes in regulatory regimes of the governments where we operate and, therefore, be unable to make timely operational or other changes, assuming we are in a position to effectively respond to any such change, which may not be the case, or to ensure compliance with applicable regulations or orders, all of which could have a material adverse effect on our business. Further, the uncertainties described above may lead to slower decision making and/or could lead to fewer decisions to proceed with studies due to the increased risk profile.

Risks Relating to Strategic Transactions

A failure to identify and successfully close and integrate strategic acquisition targets or close other strategic transactions could have a material adverse effect on our business objectives and our revenues and profitability.

Part of our strategy involves deploying capital to investments that enhance our business, which includes pursuing strategic acquisitions to strengthen our scientific capabilities and enhance therapeutic expertise, enhance global drug development capabilities, and increase presence in key geographic areas, or to enter into and consummate other strategic transactions, such as joint ventures, collaborations or divestitures. However, we may not be able to identify acquisition targets or other strategic arrangements that are attractive to us or that will have a meaningful impact on our operating results or to conduct other strategic transactions on terms that are acceptable to Fortrea, or at all, and we may not be able to realize the benefits of strategic transactions we have completed in the past or that we may complete in the future. Furthermore, the successful closing and integration of strategic transactions entails numerous risks, including, among others:

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

Current or future acquisitions or other strategic transactions, if any, or any related integration, divestiture or transition efforts may not be successful, and we cannot provide assurance that our business will not be adversely affected by any future strategic transactions, including with respect to revenues and profitability. Similarly, any potential gains from strategic transactions, such as cost savings or other operational efficiencies may also not be realized, or may be offset, partially or fully, by post-closing indemnification claims or other retained liabilities. Even if we are able to successfully integrate the operations of businesses that we may acquire in the future, we may not be able to realize the benefits that we expect from such acquisitions.

Risks Relating to Technology and Cybersecurity

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

We send, receive and store certain personal and financial information about our customers, suppliers, investigators and employees. Our processes for the protection of this information include the utilization of third-party service providers and vendors as well as secure data transmission and storage. Any material compromise in our processes or systems, or those processes and systems provided to us by third-party service providers and vendors, could adversely affect our reputation with our customers and others, as well as our results of operations, financial condition and liquidity. Such a material compromise could also result in litigation against us and the imposition of fines and penalties.

Failure in our IT systems, including hardware and software failures, delays in the operation of computer and communications systems, and the failure to implement new systems or system enhancements may harm us.

Our operations and success depend on the efficient and uninterrupted operation of our IT systems. Despite measures we have taken to ensure the availability of our IT systems, the potential threat of physical or electronic break-ins, computer viruses or similar disruptions still exists. Sustained system failures or interruption of our systems in one or more of our operations could disrupt our ability to perform operations. A failure of the network or data-gathering procedures could impede the processing of data, delivery of services and day-to-day management of the business or could result in the corruption or loss of data. While certain operations have appropriate disaster recovery plans in place, there currently are not redundant facilities everywhere in the world to provide IT capacity in the event of a system failure. Despite any precautions we may take, damage from fire, floods, hurricanes, geopolitical events, governmental action, power loss, telecommunications failures, computer viruses, break-ins, cybersecurity breaches and similar events at our various computer facilities could result in interruptions in the flow of data to the servers and from the servers to customers. In addition, any failure by the computer environment to provide required data communications capacity could result in interruptions in service. In the event of a delay in the delivery of data, we could be required to transfer data collection operations to an alternative provider of server-hosting services. Such a transfer could result in delays in the ability to deliver products and services to customers. Additionally, significant delays in the planned delivery of system deployments, enhancements or improvements, and inadequate performance of the systems once they are completed could damage our reputation. Failure of our IT systems could adversely affect our business, profitability and financial condition.

Security breaches and unauthorized access to our or our customers' data could harm our reputation and adversely affect our business.

Our information systems are integral to the efficient operation of our business and handle sensitive customer and clinical data, as well as employee records and key financial and operational results and statistics. It is critical that the data processed by these systems remains secure. To that end, we have information security policies, practices and other safeguards in place which we update in response to threat information from public and private sector sources and public announcements of attempted or successful breaches at other companies. While, like most companies, we have experienced and expect to continue experiencing attempts by threat actors to attack our environment, and we have also been informed of and expect to continue to experience similar attempts to attack and penetrate the systems of third-party suppliers and vendors to whom we have provided data, these attempts have not yet resulted in any material losses of data or materially affected our business results. Nonetheless, such attempts, if successful, could result in the misappropriation or compromise of personal information or proprietary or confidential information stored within our systems or within the systems of third parties, create system disruptions or cause shutdowns. Outside parties may also attempt to fraudulently induce our staff to take actions, including the release of confidential or sensitive information or to make fraudulent payments through illegal electronic spamming, phishing, spear phishing, or other tactics. It is difficult to fully protect against the possibility of power loss, telecommunications failures, cyber-attacks, ransomware and other cyber incidents in every potential circumstance that may arise. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate all of these techniques or to implement adequate preventive measures. In addition, as cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures or to investigate and remediate any information security vulnerabilities. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of service. This could also impact the cost and availability of cyber insurance to us, or such cyber insurance may not sufficiently cover all types of losses or claims that may arise. Breaches of our or third parties' security measures and the unauthorized dissemination of personal, proprietary or confidential information about us or our customers or other third parties could expose customers' private information. Such breaches could expose customers to the risk of financial harm or identity theft or expose us or other third parties to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business. Any of these disruptions or breaches of security could have a material adverse effect on our business, regulatory compliance, financial condition and results of operations.

We use internally developed and licensed technology systems to manage various aspects of clinical trials and failures of these systems, including errors in design, programming or validation, could adversely affect our business.

We develop, maintain and license software as a service and application solutions alongside licensed technology systems to implement and manage various aspects of clinical trials. These systems are used in clinical trial randomization, investigational product supply management, DCT execution and other clinical trial functions. These systems often involve integrations with third-party systems. Incorrect design, programming or validation of these systems could lead to substantial data integrity or patient safety issues potentially resulting in the invalidation of the clinical trial and/or claims against us and could otherwise adversely affect our financial results.

Failure to keep pace with rapid technological changes could make our services less competitive or obsolete.

The biopharmaceutical industry generally, and the drug development services industry more specifically, is subject to increasingly rapid technological changes. Our customers, competitors and other businesses might acquire or develop technologies or services that are more effective or commercially attractive than our current or future technologies or services or that render our technologies or services less competitive or potentially obsolete. If competitors acquire or introduce superior technologies or services and we cannot procure or develop these technologies or services or enhance ours in a timely manner to remain competitive, our competitive position, and in turn our business, results of operations, financial condition and/or cash flows may be materially adversely affected.

Issues in the development, deployment and/or use of AI may result in reputational harm, liability, regulatory action or adversely affect our business, financial condition or results of operations.

AI technologies are evolving rapidly and are increasingly impacting the clinical research industry. We have developed and are deploying AI and ML tools intended to improve speed, efficiency, quality and patient safety in clinical research, and we continue to evaluate additional uses of AI where appropriate and beneficial. These systems may be developed internally or rely on third-party models, platforms, data sources or vendors, and we expect our use of AI to continue to expand over time.

The development, deployment and use of AI present risks and challenges that could affect adoption and performance and, in turn, our business. AI algorithms may be flawed, produce inaccurate or unreliable outputs, or fail to perform as expected in real-world clinical research settings. The data used to train or operate AI systems may be insufficient, outdated, unrepresentative or biased. AI-generated content or outputs may be misleading, offensive, illegal or otherwise harmful, including in ways that are difficult to detect or remediate.

Our reliance on third-party AI technologies and data, with their proprietary systems and algorithms, may limit our visibility and ability to fully understand, control, validate or update such systems, and changes to, or failures of, third-party AI models, licensing terms, intellectual property rights or service availability could disrupt our operations or expose us to liability. In addition, ineffective governance, controls or oversight relating to AI development or deployment—by us or by third parties—could result in incidents or outcomes that impair trust in Fortrea, reduce acceptance of AI-enabled solutions, or cause harm to individuals or society. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm.

Some uses of AI raise ethical, social or privacy concerns, including potential impacts on human rights, employment, data protection, confidentiality and informed consent. While we have adopted policies and governance frameworks intended to guide the responsible use of AI, such measures may not be sufficient to address all of the foregoing risks.

Regulatory scrutiny of AI is increasing globally, and existing or future laws, regulations, standards or enforcement actions—many of which remain uncertain or may vary across jurisdictions—could restrict how we use AI, increase compliance costs, require changes to our operations, expose us to fines or litigation, or reduce the expected benefits of our investments in AI technologies. Any of the foregoing could adversely affect our business, financial condition or results of operations.

Risks Relating to Legal Matters

Failure to comply with the contractual requirements of our agreements with customers or third-party service providers could result in claims and/or remedies against us and have a material adverse effect on us and our reputation could be harmed.

Our contracts with our pharmaceutical and medical device customers span a wide range of clinical trial services and solutions. These services are complex and often involve the integration of third parties. Our customer contracts contain numerous requirements and obligate us to perform our services in accordance with applicable laws and regulations, standard operating procedures, and key performance indicators in certain situations. Our agreements with third-party service providers establish responsibilities for performance as their customer, including payment, confidentiality, and intellectual property provisions. If we or our third-party service providers fail to perform according to these requirements, as applicable, it could harm our reputation, cause the termination of existing contracts, and impair our ability to win or secure future contracts. Customers or third-party service providers may also bring claims for damages or seek other remedies as a result of our noncompliance. Due to the overall cost of clinical trials, our noncompliance with contractual obligations could result in substantial monetary claims. In addition, our failure to perform, or failure of our third-party-service providers to perform, could raise concerns among customers about the quality of services provided and our ability to deliver services, which could harm our reputation and impact our ability to acquire new business or result in termination of existing contracts. Any of these actions could have a material adverse effect on our business, regulatory compliance, financial condition and results of operations, and future prospects.

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

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

- Errors or omissions that create harm to clinical trial participants during a trial or to consumers of a drug after the trial is completed and regulatory approval of the drug has been granted;
- General risks associated with clinical pharmacology facilities and mobile clinical services, including negative consequences from specimen collection and processing, the administration of drugs to clinical trial participants, or the professional malpractice of clinical pharmacology physicians, clinical pharmacology staff or mobile clinical services staff; and
- Errors and omissions during a trial or study that may undermine the usefulness of a trial or study, or data from the trial or study or that may delay the entry of a drug to the market.

We contract with investigators to conduct, and in our clinical research units we directly conduct, clinical trials to test new drugs on clinical trial participants. These tests can create a risk of liability for personal injury or death to clinical trial participants resulting from negative reactions to the drugs administered or from professional malpractice by third-party investigators or our staff conducting the clinical trials. We also contract with third parties to perform certain other services related to clinical trials and their inability to adequately perform the services in compliance with applicable laws and regulations or the terms of our agreements with them may create additional risk of liability.

We assume representative roles, including, but not limited to, European Union Legal Representative for Clinical Trials, U.K. Legal Representative for Clinical Trials, local clinical trial sponsor, and Qualified Person for Pharmacovigilance, in connection with the clinical trials we manage and these roles may create direct risks relating to patient claims, customer claims, or regulatory authority action.

While we endeavor to include in our contracts provisions entitling us to be indemnified and entitling us to a limitation of liability, these provisions are not always successfully obtained and, even if obtained, do not uniformly protect us against liability arising from certain of our own actions. We may be sued in the future by individuals alleging personal injury due to their participation in clinical trials and seeking damages from us under a variety of legal theories. Although we maintain the types and amounts of insurance we view as customary in the industries and countries in which we operate, if we are required to pay damages or incur defense costs in connection with any personal injury claim that is outside the scope of indemnification agreements we have with our clients or if our liability exceeds the amount of any applicable indemnification limits or available insurance coverage, our financial condition, results of operations and reputation could be materially and adversely affected. We maintain professional liability insurance. In the future, we may not be able to get adequate insurance for these types of risks at reasonable rates, and the coverage provided by such insurance may not be adequate for all claims made and such claims may be contested by applicable insurance carriers. We could be materially and adversely affected if we were required to pay damages or bear the costs of defending any claim that is not covered by a contractual indemnification provision, or in the event that a party which must indemnify us does not fulfill its indemnification obligations, or in the event that we are not successful in limiting our liability or in the event that the damages and costs exceed our insurance coverage or are excluded from coverage. We may also be required to agree to contract provisions with clinical trial sites or its customers related to the conduct of clinical trials, and we could be materially and adversely affected if we were required to indemnify a site or customer against claims pursuant to such contract terms. There can be no assurance that we will be able to maintain sufficient insurance coverage on acceptable terms.

Adverse results in material litigation matters could have a material adverse effect upon our business.

We have and may become subject in the ordinary course of business to material legal actions related to, among other things, commercial and contract disputes, data and privacy issues, professional liability, employee-related matters, and intellectual property disputes. Legal actions could result in substantial monetary damages as well as damage to our reputation with customers, which could have a material adverse effect upon our business.

As described in the section entitled “Legal Proceedings” in this Annual Report on Form 10-K, a purported stockholder class action lawsuit has been filed against us and certain of our current and former directors and officers. We believe that the claims lack merit and intend to defend the lawsuits vigorously, but there can be no assurance that a favorable resolution will be obtained in any of these matters. An unfavorable resolution in such lawsuit, whether by final judgment or an unfavorable settlement, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, the actual cost of the litigation may be significant, and the litigation may divert management’s time and attention from our business.

We face risks arising from the restructuring of our operations.

From time to time, we have adopted restructuring plans to improve our operating efficiency through various means such as reduction of overcapacity, elimination of non-billable support roles or other realignment of resources. Restructuring presents significant potential risks of events occurring that could adversely affect us, including:

- actual or perceived disruption of service or reduction in service standards to clients;
- the failure to preserve important relationships and to resolve conflicts that may arise;
- loss of sales as we reduce or eliminate staffing on non-core services;
- diversion of management attention from ongoing business activities; and
- the failure to maintain employee morale and retain key employees.

Further, any such restructuring would result in charges that, if material, could have a material adverse effect on our financial condition and our results of operations. In addition, we may incur certain unforeseen costs once any restructuring activities are implemented. Further, if we determine to effect any other restructuring, we can give no assurance that any projected cost reductions resulting from such restructuring activities will be achieved within the expected timeframe, or at all. Because of these and other factors, we cannot predict whether we will realize the purpose and anticipated benefits of these measures and, if we do not, our business and results of operations may be adversely affected.

Additionally, there may be delays in implementing the restructuring activities or a failure to achieve the anticipated levels of cost savings and efficiencies as a result of the restructuring activities, each of which could materially and adversely impact our business and results of operations. Further restructuring or reorganization activities may also be required in the future beyond what has been implemented, which could further enhance the risks associated with these activities.

The failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to our intellectual property rights could adversely affect us.

Many of our services, products and processes rely on intellectual property, including patents, copyrights, trademarks and trade secrets. In some cases, that intellectual property is owned by another party and licensed to us, sometimes exclusively. The value of our intellectual property relies in part on our ability to maintain our proprietary rights to such intellectual property. If we are unable to obtain or maintain the proprietary rights to our intellectual property, if we are unable to prevent attempted infringement against our intellectual property, or if we are unable to defend against claims that we are infringing on another party's intellectual property, we could be adversely affected. These adverse effects could include us having to abandon, alter and/or delay the deployment of products, services or processes that rely on such intellectual property; having to procure and pay for licenses from the holders of intellectual property rights that we seek to use; and having to pay damages, fines, court costs, and attorney's fees in connection with intellectual property litigation.

We are subject to continuing contingent liabilities as a result of the Spin, including potential indemnification liabilities to Labcorp, and these liabilities could materially and adversely affect our business, financial condition, results of operations, and cash flows.

As a result of the Spin, there are several significant areas where the liabilities of Labcorp became our obligations. Our separation and distribution agreement with Labcorp provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business, whether incurred prior to or after the Spin, and whether known or unknown at the time of the Spin, as well as those obligations of Labcorp assumed by us pursuant to the separation and distribution agreement. As we are required to indemnify Labcorp under the circumstances set forth in the separation and distribution agreement, or meaningful unknown liabilities surface, we may be subject to substantial liabilities.

In addition, provisions of law may impose certain of Labcorp's liabilities on us. For example, under the Code and the related rules and regulations, each corporation that was a member of the Labcorp consolidated U.S. federal income tax group during a taxable period or portion of a taxable period ending on or before the effective date of the Spin is severally liable for the U.S. federal income tax liability of the Labcorp consolidated U.S. federal income tax group for that taxable period. Consequently, if Labcorp is unable to pay the consolidated U.S. federal income tax liability for a pre-Spin period, we could be required to pay the amount of such tax, which could be substantial and in excess of the amount allocated to us under the tax matters agreement. Similar rules may apply for state, local, and non-U.S. tax purposes. Other provisions of law establish similar liability for other matters, including U.S. federal laws governing tax-qualified pension plans, as well as other contingent liabilities.

Labcorp has indemnified us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that Labcorp's ability to satisfy its indemnification obligations will not be impaired in the future.

Pursuant to the separation and distribution agreement, Labcorp agreed to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that Labcorp has agreed to retain, and there can be no assurance that the indemnity from Labcorp will be sufficient to protect us against the full amount of such liabilities, or that Labcorp will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Labcorp any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. If Labcorp is unable to satisfy its indemnification obligations, the underlying liabilities could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

In addition, Labcorp's insurers may deny coverage to us for liabilities associated with occurrences prior to the Spin. Even if we ultimately succeed in recovering from such insurance providers, we may be required to temporarily bear such loss of coverage.

Risks Relating to Financial Matters

We bear financial risk for contracts that, including for reasons beyond our control, may be underpriced, subject to cost overruns, delayed, or terminated or reduced in scope.

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

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

We bear the financial risk if these contracts are underpriced or if contract costs exceed estimates. Such underpricing or significant cost overruns could have an adverse effect on our business, results of operations, financial condition and cash flows. Although our contracts often entitle us to receive the costs of winding down the terminated projects, as well as all fees earned up to the time of termination, the loss, reduction in scope or delay of a large contract or the loss, delay or conclusion of multiple contracts could materially adversely affect us.

Our revenues depend on the pharmaceutical, biotechnology and medical device industries and the expenditures they make in R&D; any reductions or delays in such expenditures could materially and adversely affect our business, financial condition, results of operations, and cash flows.

Our revenues depend greatly on the expenditures made by the pharmaceutical, biotechnology and medical device industries in R&D. In some instances, these companies are reliant on their ability to raise capital in order to fund their R&D projects. These companies are also reliant on reimbursement for their products from government programs and commercial payers. Accordingly, economic factors and industry trends affecting our customers in these industries may also affect us. If these companies were to reduce the number of R&D projects they conduct or outsource, whether through the inability to raise capital, reductions in reimbursement from governmental programs or commercial payers, industry trends, economic conditions or otherwise, or the failure for the industry to grow at the pace that has been projected, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

Foreign currency fluctuations could have an adverse effect on our business and our planned use of financial instruments to limit our exposure to currency fluctuations could expose us to risks and financial losses that may adversely affect our financial condition, liquidity and results of operations.

We have business and operations outside the U.S. and derive a significant portion of our revenues from international operations. Since our consolidated and combined financial statements are denominated in U.S. dollars, fluctuations in exchange rates from period to period will have an impact on reported results. In addition, we may incur costs in one currency related to our services or products for which we are paid in a different currency. To reduce our exposure to currency exchange fluctuations, we may from time to time enter into, for these or other purposes, financial swaps, or hedging arrangements, with various financial counterparties. In addition to any risks related to the counterparties, there can be no assurances that our hedging activity will be effective in insulating us from the risks associated with the underlying transactions, that we would not have been better off without entering into these hedges, or that we will not have to pay additional amounts upon settlement. As a result, factors associated with international operations, including changes in foreign currency exchange rates and our hedging activities, could significantly affect our results of operations, financial condition and cash flows.

Costs associated with our debt and our debt covenant requirements may limit cash flow available to invest in the ongoing needs of our business.

We have an aggregate principal amount of indebtedness of approximately \$1,066.3 million, which consists of borrowings under senior secured term loan facilities and senior secured notes. We also have borrowing capacity in the form of a \$450.0 million senior secured revolving credit facility, of which \$447.7 million is available for borrowing as of December 31, 2025, and from which we have borrowed and repaid \$453.9 million during the year ended December 31, 2025, and an accounts receivable securitization program from which \$300.0 million of receivables were sold as of December 31, 2025. Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity (“SPE”), who in turn may sell receivables to a third-party financial institution in exchange for cash. The Company entered into this three-year, \$300.0 million program on May 6, 2024.

Our level of debt could have important consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, and other general corporate purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to access debt markets and obtain additional financing in the future to enable us to react to changes in our business; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

As a result of the debt we have incurred, it may be difficult for the Company to incur additional debt should the business require it. This will increase the riskiness of our business and of an investment in our common stock.

Any failure to meet required payments on our debt, or failure to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments and a downgrade to our credit ratings. A downgrade in our credit ratings could increase our borrowing costs for incremental debt. In the event of a default, the holders of our debt could elect to declare all the amounts outstanding under such instruments to be due and payable. Any default under the agreements governing our debt and the remedies sought by the holders of such debt could render us unable to pay principal and interest on our debt.

We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.

The capital and credit markets may experience extreme volatility or disruptions that may lead to uncertainty and liquidity issues for both borrowers and investors. As noted above, we have incurred indebtedness as of December 31, 2025, in an aggregate principal amount of approximately \$1,066.3 million, which consists of borrowings under senior secured term loan facilities and senior secured notes. We also have available \$447.7 million under a senior secured revolving credit facility as of the year ended December 31, 2025. In the event of adverse capital and credit market conditions, we may be unable to obtain capital market financing on favorable terms, or at all, and changes in credit ratings issued by nationally recognized credit-rating agencies could adversely affect our ability to obtain capital market financing and the cost of such financing. Any of these risks could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We depend on a variety of U.S. and international financial institutions to provide us with banking services. The default or failure of one or more of the financial institutions that we rely on may adversely affect our business and financial condition.

We maintain the majority of our cash and cash equivalents in accounts with major U.S. and international financial institutions, and our deposits at certain of these institutions exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Additionally, bank payment processes could become unavailable which could temporarily impact our ability to conduct business with suppliers and pay our employees on a timely basis. Any inability to access or delay in accessing these funds could adversely affect our business and financial condition.

Our historical combined financial information is not necessarily indicative of our future results of operations or cash flows, nor does it reflect what our results of operations or cash flows would have been as an independent public company during the periods presented.

The historical combined financial information we have included in this annual report does not necessarily reflect what our results of operations or cash flows would have been as an independent public company during the periods presented and is not necessarily indicative of our future results of operations or future cash flows. This is primarily a result of our historical combined financial results reflect allocations of expenses for services historically provided by Labcorp, and may not fully reflect the increased costs associated with being an independent public company, including significant changes to our cost structure, management, financing arrangements, and business operations as a result of our Spin from Labcorp.

Risks Relating to General Matters

General or macro-economic factors in the U.S. and globally may have a material adverse effect upon us, and a significant deterioration in the economy, or in the pharmaceutical, biotechnology and medical device industries, in particular, could negatively impact our services, cash collections, profitability and the availability and cost of credit.

Our operations are dependent upon ongoing demand for our services by pharmaceutical, biotechnology and medical device companies and others. A significant downturn in the economy could negatively impact the demand for our services, as well as the ability of customers to pay for services rendered. In addition, uncertainty in the credit markets could reduce the availability of credit and impact our ability to meet our financing needs in the future.

Any deterioration in the macro-economic economy or financial services industry could lead to losses or defaults by our customers, partners or vendors, which in turn, could have a material adverse effect on our current and/or projected business operations and results of operations and financial condition. For example, a customer or partner may fail to make payments when due, default under their agreements with us, become insolvent or declare bankruptcy, or a vendor may determine that it will no longer deal with us as a customer. In addition, a customer, partner, or vendor could be adversely affected by any of the liquidity or other risks that are described above as factors that could result in material adverse impacts on us, including but not limited to delayed access or loss of access to uninsured deposits or loss of the ability to draw on existing credit facilities involving a troubled or failed financial institution. Any customer, partner or vendor bankruptcy or insolvency, or the failure of any customer or partner to make payments when due, or any breach or default by a customer, partner or vendor, or the loss of any significant vendor relationships, could result in material losses to us and may have a material adverse impact on our business.

Unfavorable labor environments, work stoppages, works council negotiations, or failure to comply with labor or employment laws could adversely affect our operations and have a material adverse effect on our business.

We are subject to employment and labor laws and unionization activity in the U.S. Similar employment and labor obligations exist across other countries in which we conduct business, including appropriate engagement with unions, works councils, and other employee representative bodies. Disputes with regard to the terms of labor agreements or obligations for consultation, potential inability to negotiate acceptable contracts with these unions, unionization activity, or a failure to comply with labor or employment laws could result in, among other things, labor unrest, strikes, work stoppages, slowdowns by the affected workers, fines and penalties. If any of these events were to occur, or other employees were to become unionized, we could experience a significant disruption of our operations or higher ongoing labor costs, either of which could have a material adverse effect on our business. Additionally, future labor agreements, or renegotiation of labor agreements or provisions of labor agreements, or changes in labor or employment laws, could compromise our service reliability and significantly increase our costs, which could have a material adverse effect on our business. Also, we may incur substantial additional costs and become subject to litigation and enforcement actions if we fail to comply with legal requirements affecting our workforce and labor practices, including laws and regulations related to wage and hour practices, Office of Federal Contract Compliance Programs compliance, and unlawful workplace harassment and discrimination.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could materially and adversely affect us.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and are required to prepare our financial statements according to the rules and regulations required by the SEC. In addition, the Exchange Act requires that we file annual, quarterly, and current reports. Our failure to prepare and disclose this information in a timely manner or to otherwise comply with applicable law could subject us to penalties under federal securities laws, expose us to lawsuits, and restrict our ability to access financing. In addition, the Sarbanes-Oxley Act requires that, among other things, we establish and maintain effective internal controls and procedures for financial reporting and disclosure purposes. The applicable sections of Section 404 of the Sarbanes-Oxley Act require annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm on the effectiveness of internal control over financial reporting. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We cannot provide assurance that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. We cannot assure you that the measures we have taken to date to remediate past material weaknesses in our internal controls, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses and the existence of future material weaknesses in our internal control over financial reporting could have a material adverse effect on our business or our reputation.

Operations may be disrupted and adversely impacted by the effects of adverse weather, other natural disasters, geopolitical events, public health crises, and other events outside of our control.

Natural disasters, such as adverse weather, fires, floods and earthquakes; power shortages and outages; geopolitical events, such as terrorism, war, political instability, political unrest, including the current conflicts in Ukraine and the Middle East or other conflicts; criminal activities; public health crises; and other disruptions or events outside of our control or the escalation or expansion of any of the same, could delay or disrupt our ability to conduct clinical trials or other business, endanger our personnel, damage our facilities or cause other project delays or loss of clinical trial materials or results. Long-term disruptions in the infrastructure and operations caused by such events (particularly involving locations in which we have operations, which would be difficult to replace in a short period of time), could have a material adverse effect on our financial condition, results of operations, and cash flows.

Increasing attention to sustainability-related matters may impose additional costs on our business and expose us to new risks.

We face increasing attention from investors, regulators, customers, and other stakeholders, who may have conflicting views on our positions, performance, and disclosures relating to environmental, social, governance, and other sustainability-related matters, and we are subject to legal and regulatory requirements relating to such positions, performance, and disclosures. In addition, sustainability-based customer standards, in particular in the EU, may impact our ability to compete successfully. These requirements continue to broaden and may be conflicting, both in terms of scope and geography, a trend we expect to continue. If we draw scrutiny for the positions we take or do not take on these matters (or for altering any such position) or receive unfavorable ratings from third-party organizations that provide information to investors on sustainability matters, it could be used by investors, lenders, customers, and employees to inform their investment, financing, purchasing, or employment decisions, which could have a negative impact on our business. Additionally, our processes and controls for reporting of sustainability matters may not always conform with evolving and disparate standards for identifying, measuring, and reporting sustainability metrics, and such standards may change over time, which could result in significant revisions to our performance metrics, goals, or reported progress in achieving our goals. Furthermore, a failure to adequately meet regulatory expectations may result in non-compliance, the loss of business and reputational impacts, and our becoming the target of litigation or investigations initiated by government authorities or private actors alleging that our activities related to sustainability matters are anti-competitive, discriminatory, or otherwise unlawful.

Risks Relating to Ownership of Our Common Stock

The market price and trading volume of our common stock may be volatile and investors may lose all or part of their investments in Fortrea common stock.

We cannot predict the prices at which shares of our common stock may trade. The market price of Fortrea common stock could fluctuate significantly due to a number of factors, many of which are beyond our control, including:

- fluctuations in our quarterly or annual earnings results or those of other companies in our industry;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- failure of our results of operations to meet the estimates of securities analysts or the expectations of our stockholders, or changes by securities analysts in their estimates of our future earnings;
- announcements by us or our customers, suppliers, or competitors;
- changes in laws or regulations which adversely affect our industry or us;
- general economic, industry, and stock market conditions;
- future sales of our common stock by our stockholders;
- future issuances of our common stock by us;
- our ability or willingness to pay dividends in the future; and
- the other factors described in these “Risk Factors” and other parts of this Annual Report on Form 10-K.

Our stockholder rights agreement could discourage, delay, or prevent a change in control over us and may affect the trading price of our common stock.

In June 2025, our Board of Directors adopted a stockholder rights plan and declared a dividend of one preferred share purchase right (a “Right”) for each share of our common stock outstanding on June 23, 2025 to the stockholders of record on that date. In the event that a person or group of affiliated or associated persons has acquired beneficial ownership of 10% or more of our outstanding common stock, subject to certain exceptions, each Right would entitle its holder (other than such person or members of such group) to purchase additional shares of our common stock at a substantial discount to the public market price. In addition, at any time after a person or group of affiliated or associated persons has acquired beneficial ownership of 10% or more of our outstanding common stock (and prior to the acquisition by any person or group of a majority of the outstanding shares of our common stock), the Board of Directors may exchange one share of our common stock for each outstanding Right (other than Rights owned by such person or group, which would have become void).

The stockholder rights plan would cause dilution to a person or group of affiliated or associated persons that acquires a large block of our common stock and thereby make it more difficult for such person or group of affiliated or associated persons to acquire the Company. The foregoing factors could impede a merger, takeover, or other business combination, or discourage a potential investor from making a tender offer for our common stock, which, under certain circumstances, could reduce the market value of our common stock.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay, or prevent a change in control over us and may affect the trading price of our common stock.

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws include a number of provisions that may discourage, delay, or prevent a change in our management or control over us that stockholders may consider favorable. For example, our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws:

- authorize the issuance of “blank check” preferred stock that could be issued by our board of directors to thwart a takeover attempt;

- until the annual meeting of stockholders to be held in 2028, provide for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year, which may tend to discourage a third-party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of our board of directors;
- not permit cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- provide that vacancies on our board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- prohibit stockholders from nominating director candidates for inclusion in proxy material;
- prohibit stockholders from calling special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- until the annual meeting of stockholders to be held in 2028, require the approval of holders of at least seventy-five percent (75%) of the outstanding shares of our common stock, voting together as a single class, to amend certain provisions of our Amended and Restated Bylaws and certain provisions of our Amended and Restated Certificate of Incorporation.

These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future.

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws may also make it difficult for stockholders to replace or remove our management. These provisions may facilitate management entrenchment that may delay, deter, render more difficult, or prevent a change in our control, which may not be in the best interests of our stockholders.

Investors' percentage of ownership of us may be diluted in the future.

An investor's percentage ownership of Fortrea common stock may be diluted because of future equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we will grant to our directors, officers and employees. Our employees have stock-based awards that correspond to shares of Fortrea common stock. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of Fortrea common stock. From time to time, we will issue additional stock-based awards to our employees under our employee benefits plans.

We have not paid any dividends on our common stock and we do not have any current plans to pay dividends, consequently, investors' ability to achieve a return on an investment in Fortrea common stock will depend on appreciation in the price of our common stock.

We do not currently pay dividends on our common stock and we do not plan to pay any dividends in the foreseeable future. In the absence of a dividend, the success of an investment in shares of our common stock depends upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value.

Securities or industry analysts may not publish favorable research about our business and our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of these securities analysts downgrades our stock or publishes unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our common stock price or trading volume to decline.

Actions of activist stockholders could impact the pursuit of our business strategies, cause us to incur substantial costs, divert our management's attention and resources, and adversely affect our business, results of operations, liquidity, financial condition, and the trading price of our common stock.

While we value constructive input from investors and regularly engage in dialogue with our stockholders, and we welcome their views and opinions regarding strategy and performance, we may be subject to actions or proposals from activist stockholders that may not align with our business strategies or the interests of our other stockholders, and our board and our management are committed to acting in the best interests of all of our stockholders. Accordingly, there is no assurance that the actions taken by our Board of Directors and our management in seeking to maintain constructive engagement with certain stockholders will be successful in preventing the occurrence of stockholder activist campaigns. We have been subject to stockholder activism and may be subject to such activism in the future, which could result in substantial costs and divert management's and our board's attention and resources from our business. For example, we entered into a Cooperation Agreement, dated February 21, 2025 (the "Cooperation Agreement"), with Starboard Value LP ("Starboard"), an activist investor, and certain of its affiliates, regarding certain changes to the composition of our board, including the appointment of an independent director, Erin Russell. Responding to actions by activist stockholders, such as potential nominations of candidates for election to our board of directors or other special requests may disrupt our business and divert the attention of management and employees. In addition, any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers and make it more difficult to attract and retain qualified personnel and business partners, any of which could negatively impact our business. Stockholder activism could result in substantial costs. In addition, actions of activist stockholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals of our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity

Cybersecurity Risk Management Program and Strategy

Our cybersecurity risk management program (the "Cybersecurity Risk Management Program") was designed to identify, manage, mitigate, and respond to ongoing cybersecurity threats and associated risks and is responsible for their escalation to the Board of Directors when determined to be material. The underlying controls utilized by these programs are based on industry recognized best practices and standards for cybersecurity and information technology which include the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) and the International Organization for Standardization (ISO) 27001:2022 Information Security Management Systems Requirements.

The Cybersecurity Risk Management Program is administered through two primary channels: (i) Fortrea led cybersecurity services and capabilities, and (ii) trusted third-party partners delivering cybersecurity services overseen by our Cybersecurity leadership team. Both channels combined deliver the entire Cybersecurity Program, which includes key items such as:

Cybersecurity risk management program, including, but not limited to, the following:

- Risk assessment activities/analyses
- Risk Committee oversight, documentation, escalation
- Reporting of risk issues deemed material to our Audit Committee of the Board of Directors

Global Cybersecurity services, including, but not limited to, the following:

- 24x7 Security Operations and Incident Response
- Identity Access Management support and governance
- Security Architecture oversight and guidance
- Governance, Risk and Compliance (“GRC”) functions such as third-party risk management, cybersecurity policies, training, and awareness
- Independent penetration testing and vulnerability scanning activities conducted by trusted third parties

External cybersecurity reviews and assessments performed by third-party risk management, including, but not limited to, the following:

- Periodic reviews and assessments measuring cybersecurity services capability and maturity

Cybersecurity risks are identified and documented by our cybersecurity team leadership, presented, and reviewed with the Fortrea Cybersecurity Risk Management Committee (the “Risk Committee”) as noted in the Governance of Cybersecurity section below. The Risk Committee, in conjunction with business stakeholders as required, evaluates risks which are presented to them to determine materiality. Cybersecurity risks deemed material are then formally agreed upon as items to be reported by the Chief Information Security Officer (“CISO”) to the Audit Committee.

We have established plans to conduct periodic reviews and tabletop exercises to test various processes for preparedness in the event of a critical cybersecurity incident as well as include cybersecurity risk within our Enterprise Risk Management Framework. As part of our overall risk management strategy, we have secured comprehensive cyber insurance coverage. We regularly review and update our cybersecurity insurance coverage to align with the evolving nature of cyber threats and industry standards.

Fortrea leverages our internal audit department to provide independent reviews and recommendations to enhance Fortrea’s ability to manage risks effectively, as well as pursue external certifications. Although unknown cybersecurity risks could materialize, including in connection with the implementation of independent systems following the Spin, we are not aware of any disclosures at this time which would be considered material risks and associated with cybersecurity threats or incidents. Refer to Part I, Item 1A. “Risk Factors” of this Annual Report on Form 10-K for further discussion of cybersecurity risks.

Governance of Cybersecurity

The Fortrea Audit Committee has been authorized by the Board of Directors to oversee risks from cybersecurity threats. We have established a Risk Committee chaired by the CISO and chartered to determine and execute the processes for the identification and management of material cybersecurity risks. The Risk Committee is comprised of cross-functional executive leaders who can assess materiality impact and are accountable for materiality disclosure. The CISO is responsible for reporting on the state of cybersecurity to the Audit Committee on a quarterly basis, including those risks deemed material by the Risk Committee.

Our CISO has more than 30 years of experience building and leading cybersecurity programs for global healthcare and retail companies. The cybersecurity leadership team reporting to the CISO is comprised of leaders with skills in cybersecurity risk management, cybersecurity architecture, identity and access management, and cybersecurity operations and engineering. Their experience and certifications are commensurate with their roles.

ITEM 2. PROPERTIES

Our Company's corporate headquarters are located in Durham, North Carolina. As of December 31, 2025, all of our facilities are leased, and include 62 operating facilities located in 42 countries. Most of our facilities consist solely of office space. We lease approximately 740,000 square feet of general office and pharmacology clinic space with leases expiring through 2042. Our most significant leases are located in India, the United States, China, Japan, and the United Kingdom. The table below summarizes certain information as to principal operating and administrative facilities as of December 31, 2025.

<u>Location</u>	<u>Square Footage</u>	<u>Nature of Occupancy</u>
Durham, United States	163,410	Leased
Leeds, United Kingdom	68,286	Leased
Dallas, United States	58,806	Leased
Bangalore, India	56,092	Leased
Madison, United States	48,609	Leased
Pune, India	41,229	Leased
Daytona Beach, United States	39,822	Leased
Shanghai, China	27,988	Leased
Tokyo, Japan	15,275	Leased

All of our primary facilities have been built or improved for the purpose of providing clinical development services. We believe that these existing facilities are suitable and adequate and will provide sufficient capacity for our currently foreseeable level of operations. We believe that if we were unable to renew a lease or if a lease were to be terminated on any of the facilities we presently lease, we could find alternate space at competitive market rates and readily relocate our operations to such new locations without material disruption to our operations.

ITEM 3. LEGAL PROCEEDINGS

We are involved from time to time in various claims and legal actions, including investigations, disputes, litigation, and regulatory matters, arising in the ordinary course of business. Some of these actions involve claims that are substantial in amount. These matters may be threatened or commenced by various parties, including customers, current or former employees, vendors, study participants, government agencies, or others, and include, but are not limited to, commercial and contract disputes, intellectual property disputes, professional liability claims, employee-related matters, and inquiries, including subpoenas and other civil investigative demands. The outcomes of such proceedings are inherently unpredictable and subject to significant uncertainties. When we determine that we have meritorious defenses to any claims asserted, we defend ourselves vigorously; however we also consider and enter into discussions regarding settlement of disputes, and may enter into settlement agreements, if in management's judgment, it is in the best interests of our Company to do so. In accordance with FASB Accounting Standards Codification Topic 450 "Contingencies," we establish reserves for claims and legal actions when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, we do not establish reserves.

We believe that we are in compliance in all material respects with all statutes, regulations, and other requirements applicable to our clinical development services. The clinical development industry is, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect us. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, and additional liabilities from third-party claims.

Based on currently available information, we do not expect that any pending or threatened claim or legal action, either individually or in the aggregate, will have a material adverse effect on the business, our financial condition, results of operations, and/or our cash flows.

On June 2, 2025, a purported shareholder class action complaint captioned *Lucas Deslande v. Fortrea Holdings Inc., et al.*, No 1:25-sv-04630 was filed in the U.S. District Court for the Southern District of New York, naming the Company and certain of its current and former officers as defendants. The complaint alleges that defendants made omissions and misrepresentations to investors that they claim violated certain securities laws. The Construction Industry Laborers Pension Fund and City of Pontiac Reestablished General Employees Retirement System were appointed as lead plaintiffs on September 3, 2025, and the lead plaintiffs filed an amended complaint on November 10, 2025. The Company filed a motion to dismiss the amended complaint on January 28, 2026. The Company believes it has valid defenses to the claims alleged and intends to vigorously defend itself, but there is no guarantee that the Company will prevail. The case is at a very early stage and the Company is unable to estimate the possible loss or range of loss, if any, associated with this action.

It was previously disclosed that there were dosing sequence errors in a customer's trial by a third-party vendor not associated with the Company. As part of working with this customer, the Company made concessions and provided discounts and other consideration to the customer in the amount of approximately \$12.5 million as part of a multi-party solution to facilitate the trials, of which \$3.8 million and \$8.7 million was recorded as a reduction of revenue for the years ended December 31, 2024 and 2023, respectively. There were no related reductions of revenue during the year ended December 31, 2025, as the agreed-upon amount had been satisfied.

For the years ended December 31, 2025, 2024 and 2023, the Company recorded legal expenses of \$1.9 million, \$2.2 million and \$— million, respectively, related to the settlement of legal matters initiated prior to the spin.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's common stock, par value \$0.001 per share, or Common Stock, trades on the Nasdaq Stock Market LLC ("Nasdaq") under the symbol "FTRE."

Holders

On February 24, 2026, there were approximately 1,584 stockholders of record as reported by our transfer agent. Holders of record are defined as those stockholders whose shares are registered in their names in our stock records and do not include beneficial owners of common stock whose shares are held in the names of brokers, dealers or clearing agencies.

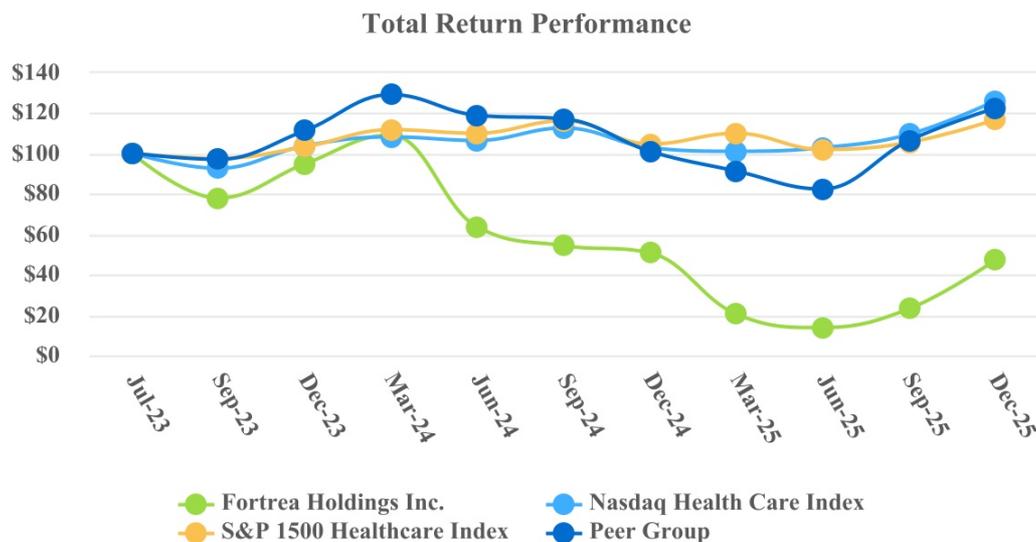
Dividend Policy

The Company intends to retain future earnings, if any, to finance the operation and expansion of our business and does not anticipate paying any cash dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, business prospects and other factors our board of directors deems relevant, and subject to any restrictions applicable to us contained in any future financing instruments.

Common Stock Performance

The following graph compares the cumulative total stockholder return of Fortrea's Common Stock with that of the Nasdaq Health Care Index, the S&P 1500 Health Care Index and our peer group ("Peer Group") as set forth below, for the period from July 1, 2023 (the effective date of the registration of FTRE Common Stock) to December 31, 2025. The Peer Group consists of Charles River Laboratories Inc., ICON plc, Medpace Holdings, Inc., IQVIA Holdings Inc. and Thermo Fisher Scientific Inc. The companies in our Peer Group are publicly traded companies that share similar business model characteristics to Fortrea, or provide services to similar customers as Fortrea. Many of these companies are also used by our compensation committee for purposes of compensation benchmarking.

The graph assumes that \$100.00 was invested on July 1, 2023 (first day of trading activity) and all dividends and other distributions were reinvested through the last trading day of fiscal 2025. Past performance is not necessarily indicative of future performance. The Nasdaq Health Care Index, the S&P 1500 Healthcare index and our Peer Group are included for comparative purposes only. They do not necessarily reflect management's opinion that these indices and our Peer Group are an appropriate measure of the relative performance of the stock involved, and they are not intended to forecast or be indicative of possible future performance of our common stock.



ITEM 6. [RESERVED]

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

The following discussion and analysis is intended to provide a summary of significant factors relevant to the financial performance and condition of Fortrea Holdings Inc., which we refer to in this discussion and analysis as “Fortrea,” the “Company,” “our” and “we”. Prior to the spin-off which was completed on June 30, 2023 (the “Spin” or “the Separation”), Fortrea existed and functioned as part of Labcorp Holdings Inc., which we refer to in this discussion and analysis as “Labcorp” or “Former Parent.” The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated and combined financial statements and corresponding notes and other financial information included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in Part I, Item 1A. “Risk Factors.” Actual results may differ materially from these expectations. See “Cautionary Statement Concerning Forward-Looking Statements.”

Company Overview

Fortrea, a Delaware corporation incorporated on January 31, 2023, is a leading global contract research organization (“CRO”) providing biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. We offer customers highly flexible delivery models that include Full Service, Functional Service Provider (“FSP”), and Hybrid Service structures. We have a rich history of providing clinical development services for over 30 years across more than 20 therapeutic areas, first as Covance and later as Labcorp Drug Development. On June 30, 2023, we completed the Spin from Labcorp. We leverage our global scale, scientific and therapeutic expertise, clinical data insights, technology innovation, industry network and decades of experience as a standalone company and as a business unit prior to the Spin to deliver tailored solutions to our customers. With what we believe is a distinctive market offering, Fortrea meets growing global demand for clinical development services.

Our team of approximately 14,300 employees is able to conduct operations in approximately 100 countries and delivers comprehensive phase I – IV clinical trial management, clinical pharmacology, and consulting services for our customers. Our offering is scaled to deliver focused and agile solutions to customers globally, streamlining the biopharmaceutical product, and medical device development process.

Industry Outlook

For information about the industry outlook and markets that we operate in, refer to Part I, Item I. “Market Opportunity”.

Separation from Labcorp

On June 30, 2023, we completed the Spin from Labcorp through a pro-rata distribution of one share of Fortrea common stock for every share of Labcorp common stock held at the close of business on the record date of June 20, 2023. Fortrea began to trade as a separate public company (NASDAQ: FTRE) on July 3, 2023.

The consolidated and combined statements of operations include costs for certain centralized functions and programs provided and administered by Labcorp that were allocated to us in the periods presented prior to the Spin. These centralized functions and programs include, but are not limited to, legal, tax, treasury, risk management, sales expenses, IT, human resources, finance, supply chain, executive leadership and stock-based compensation.

These expenses were allocated to us based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net revenues or headcount or another reasonable driver, as applicable. We consider the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, us during the periods presented. However, the allocations may not reflect the expenses we would have incurred as an independent company for the periods presented and may not be representative of future expenses that may be incurred. Actual costs that may have been incurred if we had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic decisions made in areas such as IT and infrastructure. For a period following the Separation, however, some of these functions were provided by Labcorp under the Transition Services Agreement. The actual costs of services represented by these allocations may vary significantly from the amounts allocated to us in the accompanying financial statements.

Sale of Assets Relating to the Enabling Services Segment

On March 9, 2024, the Company, together with its wholly-owned subsidiary, Fortrea Inc. (the “Seller”), entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, pursuant to which the Seller agreed to sell, and to cause its affiliates to sell, certain assets relating to its Enabling Services Segment (the “Transaction”), including the sale of equity interests of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries. The final adjusted purchase price for the Transaction was \$340.0, subject to customary purchase price adjustments, with \$295.0 paid at closing and \$45.0 to be paid upon achievement of certain transition-related milestones, which includes certain services provided through a Transition Services Agreement. The Transaction closed during the second quarter of 2024. The first milestone payment in the amount of \$20.0 was received in the first quarter of 2025. The second and final milestone payment in the amount of \$25.0 was received in the third quarter of 2025. The Transaction resulted in a loss on disposal of \$19.6. The decision to sell such assets relating to the Enabling Services Segment represented a strategic shift that had a significant effect on the Company's results and operations for the periods presented. As a result, the operations of the Enabling Services Segment have been classified as loss from discontinued operations on the consolidated and combined statements of operations.

Backlog

Our backlog consists of anticipated future revenue from business awards that either have not started, or that are in process and have not been completed. Our backlog also reflects any cancellation or adjustment activity related to these awards. The average duration of our contracts will fluctuate from period to period based on the contracts comprising our backlog at any given time. The majority of our contracts contain early termination provisions that typically require notice periods ranging from 30 to 90 days. We adjust backlog for foreign currency fluctuations and exclude from backlog amounts that have been recognized as revenue in our statements of operations. Our backlog was \$7.7 billion as of December 31, 2025.

We do not believe that, as a sole measure, our backlog is a consistent indicator of future revenue because it has been, and likely will continue to be, affected by a number of factors, including the variable size and duration of projects, many of which are performed over several years, and changes to the scope of work during the course of projects. Additionally, projects may be canceled or delayed by the customer or regulatory authorities. We generally do not have a contractual right to the full amount of the contract award reflected in our backlog. If a customer cancels a contract, we generally will be reimbursed for the costs we have incurred. For more information about risks related to our backlog see “Risk Factors—Risks Relating to Our Business—Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.”

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations is intended to help you understand our results of operations for the years ended December 31, 2025 and 2024. For a comparison of our results of operations for the fiscal years ended December 31, 2024 and 2023, see “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 3, 2025.

Results of Continuing Operations for the years ended December 31, 2025 and 2024

The following tables present the financial measures that management considers to be the most significant indicators of the Company's performance.

Revenues

	Years Ended December 31,		change
	2025	2024	
Revenues	\$ 2,723.4	\$ 2,696.4	1.0 %

The Company’s revenues for the year ended December 31, 2025, were \$2,723.4, an increase of 1.0% over revenues of \$2,696.4 in the corresponding period in 2024. The change in revenues was due to an increase in organic revenues of 0.8%, and favorable foreign currency translation of 0.2%. The Company defines organic growth as the change in revenues excluding the year over year impact of acquisitions, divestitures and currency. The 0.8% increase in organic revenues was primarily driven by an increase in revenue in our clinical pharmacology business, including higher pass through costs. This increase was partially offset by lower clinical development revenues resulting primarily from the mix of complex and longer duration studies in our portfolio as well as lower functional service provider revenue, which more than offset revenue from net new business, including higher pass through costs as projects progress through their lifecycle.

Direct Costs, Exclusive of Depreciation and Amortization

	Years Ended December 31,		change
	2025	2024	
Direct costs	\$ 2,219.6	\$ 2,162.2	2.7 %
Direct costs as a % of revenues	81.5%	80.2%	

Direct costs consist primarily of payroll and related benefits for project-related employees, reimbursable expenses (pass through costs), transition services agreement costs, information technology costs, and other direct costs.

Direct costs increased 2.7% in 2025, as compared with 2024, and increased as a percentage of revenues to 81.5% in 2025, as compared to 80.2% in 2024. The increase in direct costs was primarily due to an increase in pass through costs, stock compensation and direct study related expenses, the reintroduction of variable compensation, and lower research and development tax credits. This increase was partially offset by lower headcount and personnel costs, including the benefit of restructuring actions.

Selling, General and Administrative Expenses, Exclusive of Depreciation and Amortization

	Years Ended December 31,		change
	2025	2024	
Selling, general and administrative expenses	\$ 456.4	\$ 560.7	(18.6%)

Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, transition services agreement costs, information technology costs, other facility charges, advertising and promotional expenses, administrative travel and credit loss provisions.

Selling, general and administrative expenses decreased 18.6% in 2025, as compared to 2024. The decrease was primarily due to lower transition service agreement and information technology costs. This decrease was partially offset by an increase in costs to support the establishment of our corporate functions as a stand-alone company as well as the reintroduction of variable compensation.

Goodwill and Other Asset Impairments

	Years Ended December 31,		change
	2025	2024	
Goodwill and other asset impairments	\$ 797.9	\$ —	nm ¹

Goodwill impairment for 2025 was \$797.9. The impairment was specific to the Clinical Development reporting unit. There were no goodwill and other asset impairments for the year 2024.

Depreciation Expense

	Years Ended December 31,		change
	2025	2024	
Depreciation expense	\$ 19.7	\$ 24.5	(19.6%)

The decrease in depreciation expense for 2025, as compared to 2024, was due to a decrease in depreciable property, plant and equipment, primarily IT assets.

Amortization Expense

	Years Ended December 31,		change
	2025	2024	
Amortization of intangibles and other assets	\$ 58.3	\$ 60.8	(4.1)%

The decrease in amortization of intangibles and other assets in 2025, as compared to 2024, was due to certain intangible assets reaching the end of their useful lives during the first quarter of 2025.

Restructuring and Other Charges

	Years Ended December 31,		change
	2025	2024	
Restructuring and other charges	\$ 44.1	\$ 50.1	(12.0)%

During the years ended December 31, 2025 and 2024, the Company recorded net restructuring charges of \$44.1 and \$50.1, respectively, which are reflected within Restructuring and other charges in the consolidated and combined statements of operations. These charges are associated with Company actions to streamline its operations and eliminate redundant positions, including \$3.2 and \$4.8 of impairment of facility related assets during 2025 and 2024, respectively.

Interest Expense

	Years Ended December 31,		change
	2025	2024	
Interest expense	\$ 91.4	\$ 123.8	(26.2)%

The decrease in interest expense for year ended December 31, 2025, as compared with the corresponding period in 2024, is primarily due to the pay down of \$70.2 on term loan A and \$412.5 on term loan B, and the write-off of \$12.2 of debt issuance costs associated with the pay down, which occurred during the six months ended June 30, 2024.

Foreign Exchange (Loss) Gain

	Years Ended December 31,		change
	2025	2024	
Foreign exchange (loss) gain	\$ (26.9)	\$ (10.6)	(153.8)%

The change in foreign exchange (loss) gain for the year ended December 31, 2025, as compared to the year ended December 31, 2024, was primarily due to the fluctuations in the U.S. Dollar against the British Pound and the Euro.

Other, net

	Years Ended December 31,		change
	2025	2024	
Other, net	\$ 7.9	\$ 21.3	(62.9)%

The decrease in other, net for the year ended December 31, 2025, as compared to year ended December 31, 2024, was primarily related to a change in the estimated amount of the contingent consideration payment on a sale of a facility to a third-party. This decrease was partially offset by income related to services provided under Transition Services Agreements.

Income Tax Expense (Benefit)

	Years Ended December 31,	
	2025	2024
Income tax expense (benefit)	\$ 3.2	\$ (3.5)
Income tax expense (benefit) as a % of income before tax	(0.3)%	1.3%

For the year ended December 31, 2025, our effective tax rate was (0.3)% compared to 1.3% for the year ended December 31, 2024. The effective tax rate for the year ended December 31, 2025 was lower than our statutory tax rate primarily due to goodwill impairment with no tax benefit, an increase in the valuation allowance, non-deductible employee benefits, withholding taxes on 2025 non-U.S. earnings that are not permanently reinvested and foreign earnings taxed at rates higher than the U.S. rate, partially offset by R&D credits and certain state tax benefits. The fluctuation in the effective tax rate for the year-to-date period was primarily due to goodwill impairment with no tax benefit, increased withholding taxes on 2025 non-U.S. earnings that are not permanently reinvested and increased non-deductible employee benefits offset by a reduction in the charge for valuation allowance.

The Organization for Economic Co-operation and Development (the "OECD") has introduced new global minimum tax regulations, known as Pillar Two, that came into effect beginning on January 1, 2024. We will continue to monitor this development and its potential impact on our future tax rate. In 2025, we did not accrue any top-up tax under the Pillar Two Framework as the effective tax rates for all our non-US jurisdictions exceeded 16%.

On July 4, 2025, new legislation commonly referred to as the One Big Beautiful Bill Act of 2025 (the "Tax Act") was signed into law. The Tax Act includes substantial changes to the U.S. federal tax code and broader fiscal policy for tax year 2025 and forward. We have recorded any applicable impacts to its tax provision for the year ended December 31, 2025, which were not significant. There are several provisions of the Tax Act that do not go into effect until future tax years but are also not expected to have a significant impact on tax positions as currently recorded.

Liquidity, Capital Resources and Financial Position

We manage cash flow to fund and invest in operational growth, capital expenditures, and credit facility repayments. In connection with the Spin, we incurred indebtedness in an aggregate principal amount of \$1,640.0, which consisted of borrowings under senior secured term loan facilities and senior secured notes.

During the fourth quarter of 2025, we completed a tender offer to repurchase \$75.7 of the Company's outstanding 7.50% Senior secured notes due 2030. The tender offer complied with relevant provisions of the indenture governing the Notes relating to the Company's requirement to repurchase a portion of the outstanding Notes following Fortrea's sale of assets relating to its Enabling Services Segment.

During the year ended December 31, 2024, we paid down \$70.2 on term loan A, and \$412.5 on term loan B, respectively. We also have access to a senior secured revolving credit facility, which consists of a five-year facility in the principal amount of up to \$450.0 as further discussed in Note 11, "Debt" to our consolidated and combined financial statements. As of December 31, 2025, there were no balances outstanding on the Company's revolving credit facility and there were \$2.3 in letters of credit issued under the letter of credit sublimit, resulting in \$447.7 available for borrowing. The maximum revolver borrowing outstanding was \$138.0 and \$75.5 during the years ended December 31, 2025, and 2024, respectively.

On May 6, 2024, we entered into a three-year \$300.0 accounts receivable securitization program (the "Receivables Facility"). Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity, which in turn, may sell receivables to a third-party financial institution in exchange for cash. As of December 31, 2025, the Company had sold \$300.0 of receivables, which were derecognized from the Company's consolidated balance sheet.

On February 24, 2026, the Company amended its Receivables Facility, which had been scheduled to terminate on May 6, 2027. The amended Receivables Facility is scheduled to terminate on February 23, 2029, unless terminated earlier pursuant to its terms.

We believe our existing cash and cash flows generated from operations, plus existing credit facilities, will be sufficient to cover the needs of our current and planned operations for at least the next 12 months. From time to time, we routinely evaluate strategic opportunities, including potential acquisitions, joint ventures or investments in complementary businesses. We may also access capital markets through the issuance of debt or equity, which we may use in connection with the acquisition of complementary businesses or other significant assets, for other strategic opportunities, or general corporate purposes.

Cash Flows for the Year's Ended December 31, 2025 and 2024

The cash flows related to discontinued operations have not been segregated and are included in the consolidated and combined statements of cash flows and the discussion of the cash flow activity. In summary the Company's cash flows were as follows:

	Years ended December 31,	
	2025	2024
Net cash provided by operating activities	\$ 113.5	\$ 262.8
Net cash provided by (used for) investing activities	14.4	251.6
Net cash used for financing activities	(76.3)	(497.8)
Effect of exchange rate on changes in cash and cash equivalents	4.5	(6.7)
Net change in cash and cash equivalents	\$ 56.1	\$ 9.9

Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2025 and 2024 totaled \$174.6 and \$118.5, respectively. Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits, and other money market instruments, which have maturities when purchased of three months or less.

Cash Flows from Operating Activities

During the year ended December 31, 2025, the Company's operations provided \$113.5 of cash as compared to \$262.8 in 2024, a decrease of \$149.3. This decrease in cash flows from operating activities was primarily due to decreases in cash received from accounts receivable, driven by the sale of receivables under the Receivables Facility during 2024, and an increase in cash used for accounts payable. These cash decreases were partially offset by lower use of cash for prepaid expenses, taxes and interest, and an increase in net income exclusive of non-cash goodwill and other asset impairments, primarily driven by a decrease in selling, general and administrative expenses.

Cash Flows from Investing Activities

Net cash provided by investing activities for the year ended December 31, 2025 was \$14.4 as compared to \$251.6 for the year ended December 31, 2024. The \$237.2 decrease in net cash provided by investing activities for the year ended December 31, 2025, was primarily due to \$276.6 of net proceeds from the sale of the Enabling Services Segment during the year ended December 31, 2024 offset by receipt of the first and second milestone payments related to the sale during the year ended December 31, 2025. Capital expenditures were \$25.2 and \$25.5 for the years ended December 31, 2025 and 2024, respectively. Capital expenditures in 2025 and 2024 were 0.9% of revenues, primarily in connection with projects to support growth in the Company's core businesses. The Company intends to continue to pursue selective investments in key therapeutic areas, business areas and geographies to drive growth and to improve efficiency of the Company's operations. Such expenditures are expected to be funded by cash flow from operations.

Cash Flows from Financing Activities

Net cash used for financing activities for the year ended December 31, 2025 was \$76.3 compared to cash used for financing activities of \$497.8 for the year ended December 31, 2024. Cash used for financing activities for the year ended December 31, 2025 was primarily related to the repurchase of a portion of the 7.50% Senior secured notes due 2030 as described above. Cash used for financing activities for the year ended December 31, 2024 was primarily related to principal payments on the term loan A and term loan B.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet financing other than short term operating leases and letters of credit.

Critical Accounting Policies and Estimates

We have chosen accounting policies that management believes are appropriate to accurately and fairly report our operating results and financial position in conformity with U.S. GAAP. We apply these accounting policies in a consistent manner. The Company's critical accounting policies arise in conjunction with revenue recognition, business combinations, income taxes, goodwill, and indefinite-lived assets.

The application of these accounting policies requires that we make estimates and assumptions about future events and apply judgments that affect the reported amounts of assets, liabilities, revenues, expenses, contingent assets and liabilities, and related disclosures. These estimates, assumptions and judgments are based on historical experience, current trends and other factors believed to be reasonable under the circumstances. Management evaluates these estimates and assumptions on an ongoing basis. If actual results ultimately differ from previous estimates, the revisions are included in results of operations when the actual amounts become known.

Revenue Recognition

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

Fixed-price contracts are typically recognized as revenue over time based on a proportional-performance basis, using either input or output methods that are specific to the service provided. In an output method, revenue is determined by dividing the actual units of output achieved by the total units of output required under the contract and multiplying that percentage by the total contract value. When using an input method, revenue is recognized by dividing the actual costs incurred by the total estimated cost expected to complete the contract, and multiplying that percentage by the total contract value. Contract costs principally include direct labor and reimbursable out-of-pocket costs. The estimate of total costs expected to complete the contract requires significant judgment and estimates are based on various assumptions of events that often span several years. These estimates are reviewed periodically and any adjustments are recognized on a cumulative catch-up basis in the period they become known. During the years ended December 31, 2025 and 2024, reductions of approximately \$16 and \$61, respectively, were recognized in revenue related to performance obligations partially satisfied in previous periods. The 2025 adjustment was primarily driven by changes in estimated effort to complete customer contract obligations. The 2024 adjustment was driven by both changes in estimated effort to complete customer contract obligations and changes in scope or price.

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

Software-as-a-service (“SaaS”) arrangements represent a single obligation to provide continuous access to a hosted software platform. As each day of providing access to the platform is substantially the same, and the customer simultaneously receives and consumes the benefits as access is provided, the Company recognizes revenue using an output method based on time elapsed, which is on a straight-line basis over the course of the contracted SaaS hosting period.

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

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

Allowance for Credit Losses

The Company maintains current receivable amounts with most of its customers. Fluctuations in accounts receivable, net, are attributable to a variety of factors including, but not limited to, the timing of cash receipts from customers, the Company’s assessment of collectability and corresponding provision for bad debt expense, and the inception, transition, modification or termination of customer relationships. The Company regularly monitors and assesses its risk of not collecting amounts owed by customers. This evaluation is based upon an analysis of current and past due amounts, along with relevant history and facts particular to the customer and the evaluation of the recoverability of amounts due. The Company records its allowance for credit losses based on the results of this analysis. The analysis requires the Company to make significant estimates and, as such, changes in facts and circumstances could result in material changes in the allowance for credit losses.

Income Taxes

Prior to the Spin, the Company was included in the combined U.S. federal, state, and foreign income tax returns of Labcorp, where eligible. For the periods after Spin, the Company files income tax returns as a separate company. The income tax provisions and related deferred tax assets and liabilities reflected in our financial statements represent the Company as separate from Labcorp. The Company accounts for income taxes utilizing the asset and liability method. Under this method, deferred income taxes represent the expected future tax consequences of temporary differences between the financial statements carrying amount and the respective tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. To the extent deferred taxes are recorded to accumulated other comprehensive income, we record the tax effect of any release of deferred taxes using either the specific identification approach or the portfolio approach based on the nature of the underlying item. We elected to not consider the estimated impact of potential future Corporate Alternative Minimum Tax liabilities for purposes of assessing valuation allowances on the Company's deferred tax balances. The effect on deferred tax assets and liabilities of an enacted change in tax rates is recognized in income in the period that includes the enactment date.

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

We are subject to income taxes in the U.S. and various foreign jurisdictions. The Company is not currently under tax examination by the Internal Revenue Service ("IRS") as a separate taxpayer. We are no longer subject to U.S. state income tax audits prior to 2017. We are subject to ongoing foreign income tax audits as a separate taxpayer in various jurisdictions ranging from 2018 - 2022. While we believe we have adequately accrued for all tax positions, amounts assessed by taxing authorities could be greater than what we have recorded in our financial statements. Accordingly, additional income tax provisions on federal, state and foreign income tax-related matters could be recorded in the future as revised estimates are made or the underlying matters are settled or otherwise resolved. Since the timing of resolution of income tax audits are uncertain, it is difficult to predict with certainty the range of reasonably possible significant increases or decreases in the liability related to uncertain tax positions that may occur within the next twelve months.

With limited exception, the Company has considered the earnings of its foreign subsidiaries prior to 2024 to be indefinitely invested outside the United States on the basis of limited foreign cash reserves and plans for the reinvestment of those subsidiary earnings. Our foreign undistributed earnings are computed under the U.S. federal tax earning and profits ("E&P") principles. In 2025, management has recorded a deferred tax liability related to applicable foreign withholding taxes on approximately \$133.5 of undistributed U.S. GAAP earnings and profits of its foreign subsidiaries as the Company does not intend to reinvest these earnings outside the United States.

Goodwill

The Company has recorded \$960.0 and \$1,710.4 of goodwill as of December 31, 2025 and 2024, respectively. The Company assesses goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

The annual impairment test for goodwill includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value. Reporting units are businesses with discrete financial information that is available and reviewed by management. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs the quantitative goodwill impairment test. The Company may also choose to bypass the qualitative assessment for any reporting unit in its goodwill assessment and proceed directly to performing the quantitative assessment. The Company recognizes an impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value.

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

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

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

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

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

Based on the annual test performed on October 1, 2024, it was previously determined that the fair values of the Company's reporting units were greater than the carrying values, resulting in no impairment. For the Clinical Development reporting unit, the fair value of the business exceeded the carrying value by approximately 10% as of October 1, 2024.

During the first and second quarters of 2025, due to sustained declines in the Company's share price and uncertainties in global macroeconomic conditions, the Company determined that indicators of impairment existed. As a result, the Company performed interim impairment tests as of March 31, 2025 and June 30, 2025. There were no indicators of impairment for the third and fourth quarters of 2025.

Based upon the results of the quantitative assessment as of March 31, 2025, the Company concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of \$488.8.

Based upon the results of the quantitative assessment as of June 30, 2025, the Company concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of \$309.1.

The discount rate used for the Clinical Development reporting unit quantitative assessments as of March 31, 2025 and June 30, 2025 was 10.0% and 10.5%, respectively. The increase in the discount rate was primarily the result of macroeconomic and market factors and impacted the impairment during the second quarter of 2025 by approximately \$60. The share price used to calculate the Company's market capitalization was \$7.55 per share and \$4.94 per share as of March 31, 2025 and June 30, 2025, respectively.

For the Clinical Pharmacology reporting unit, the fair value of the business substantially exceeded the book value as of March 31, 2025 and June 30, 2025.

In performing its annual goodwill impairment test as of October 1, 2025, the Company elected to perform the qualitative assessment on its two reporting units, Clinical Development and Clinical Pharmacology. Based on the results of the qualitative assessment, the Company concluded that the fair values of each of its reporting units were greater than the carrying values, resulting in no impairment.

Although we believe that the current assumptions and estimates used in our goodwill impairment analysis are reasonable, supportable, and appropriate, continued efforts to maintain or improve the performance of these businesses could be impacted by unfavorable or unforeseen changes which could impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily delays in new customer bookings and the related delay in revenue from new customers, increases in customer termination activity or increases in operating costs. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment analysis will prove to be accurate predictions of future performance. It is possible that our conclusions regarding impairment or recoverability of goodwill in any reporting unit could change in future periods. There can be no assurance that the estimates and assumptions used in our goodwill impairment testing performed as of March 31, 2025 and June 30, 2025 will prove to be accurate predictions of the future, if, for example, (i) the businesses do not perform as projected, (ii) overall economic conditions in 2025 or future years vary from current assumptions (including changes in discount rates), (iii) business conditions or strategies for a specific reporting unit change from current assumptions, including loss of major customers, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA.

The Company will continue to monitor the financial performance of and assumptions for its reporting units. A significant increase in the discount rate, decrease in the revenue and terminal growth rates, decreased operating margin or substantial reductions in end markets and volume assumptions could have a negative impact on the estimated fair value of the reporting units. A future impairment charge for goodwill or intangible assets could have a material effect on the Company's consolidated financial position and results of operations.

If our share price was to suffer further sustained declines in the future, or other indicators of impairment are present in future reporting periods, additional impairment testing will be required, which could result in further impairment charges in future periods.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (in millions)

Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange rates, interest rates and other relevant market rate or price changes. In the ordinary course of business, we are exposed to various market risks, including changes in foreign currency exchange and interest rates, and we regularly evaluate the exposure to such changes. We address our exposure to market risks, principally associated with changes in foreign currency exchange rates and interest rates, through a program of risk management that may include, from time to time, the use of derivative financial instruments such as foreign currency forward contracts, cross currency swaps and interest rate swap agreements in an effort to manage or hedge some of our risk. We do not hold or issue derivative financial instruments for trading purposes. Refer to Note 12, “Derivative Instruments and Hedging Activities” to the audited consolidated and combined financial statements in Part II, Item 8 of this Annual Report on Form 10-K for information on how the Company utilizes derivative financial instruments.

Foreign Currency Exchange Rates

Approximately 15.5% and 16.6% of our revenues for the years ended December 31, 2025 and 2024, respectively, were denominated in currencies other than the U.S. dollar (“USD”). Our financial statements are reported in USD and, accordingly, fluctuations in exchange rates will affect the translation of revenues and expenses denominated in foreign currencies into USD for purposes of reporting our consolidated and combined financial results. In the years ended December 31, 2025 and 2024, the most significant currency exchange rate exposure was the Euro. Excluding the impacts from any outstanding or future hedging transactions, a hypothetical change of 10% in average exchange rates used to translate all foreign currencies to USD would have impacted operating (loss) income for the years ended 2025 and 2024 by approximately \$1.2 and \$2.7, respectively. Gross accumulated currency translation adjustments recorded as a separate component of stockholders’ equity were \$112.2 and \$(69.3) at December 31, 2025 and 2024, respectively. We do not have significant operations in countries in which the economy is considered to be highly inflationary.

We earn revenue from service contracts over a period of several months to many years. Accordingly, exchange rate fluctuations during this period may affect our profitability with respect to such contracts. We are also subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of transactions. We enter into foreign currency forward contracts with external counterparties to hedge certain foreign currency transactions with exposure predominantly to the Euro and British Pound. These contracts do not qualify for hedge accounting under U.S. GAAP and the changes in fair value are recorded directly to earnings.

Prior to the Spin, these changes in fair value were included in the combined statements of operations as part of corporate allocations.

Interest Rate Risk

The level of our interest rate risk is dependent on our debt exposure and is sensitive to changes in the general level of interest rates. Historical fluctuations in interest rates have not been significant for us; however, this may vary in the future as we have incurred certain indebtedness concurrent with the Spin and may incur additional indebtedness in the future.

In particular, we face the market risks associated with interest rate movements on our variable rate debt. We entered into a variable-to-fixed interest rate swap with respect to some of our floating rate debt in August 2023. At December 31, 2025, we had \$572.0 outstanding related to our variable rate debt. Excluding the impacts from any outstanding or future variable-to-fixed interest rate swap transactions, a hypothetical 1% increase in interest rates would result in increased interest expenses of \$5.7. We expect to continue to be exposed to an element of market risk from changes to interest rates, including on any refinancing of debt. We expect to regularly assess market risks and to establish policies and business practices to protect against the adverse effects of these exposures. See Note 11, “Debt” to the consolidated and combined financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**FORTREA HOLDINGS INC.
INDEX TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Fortrea Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Fortrea Holdings Inc. and subsidiaries (the "Company") as of December 31, 2025, and 2024, the related consolidated and combined statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

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

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

Emphasis of a Matter

As disclosed in Note 2 to the consolidated and combined financial statements, prior to June 30, 2023, the accompanying financial statements were derived from the consolidated financial statements and accounting records of Labcorp Holdings Inc. These financial statements reflect the historical results of operations and cash flows of the Company for the periods prior to June 30, 2023, on a combined basis as the Company was historically managed within Labcorp Holdings Inc. For the periods after June 30, 2023, including the current year ended December 31, 2025, the financial statements reflect the financial position, results of operations, and cash flows of the Company as an independent entity. These financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had it operated as an independent entity during the periods prior to June 30, 2023. Our opinion is not modified with respect to this matter.

Critical Audit Matters

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

Revenue - Full-Service Clinical Trial Contracts— Refer to Notes 2 and 4 to the financial statements

Critical Audit Matter Description

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

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

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

How the Critical Audit Matter Was Addressed in the Audit

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

- We tested the effectiveness of controls over fixed-price contract revenue, including those over the estimates of total costs related to the performance obligation.
- We selected a sample of fixed-price contracts and performed the following:
 - Evaluated whether the contracts were appropriately accounted for by management based on the terms and conditions of each contract, including whether revenue recognition over time was appropriate.
 - Compared the transaction prices to the consideration expected to be received based on current rights and obligations under the contracts and any contract modifications that were agreed upon with the customers.
 - Evaluated management's identification of distinct performance obligations, including assessing whether the underlying services were highly interdependent or highly interrelated.
 - Tested the accuracy and completeness of the total contract costs incurred to date for the performance obligation.

- Evaluated the estimates of total contract cost for the performance obligation by:
 - Comparing costs incurred to date to the costs management estimated to be incurred to date.
 - Assessing management's ability to achieve the estimates of total contract costs by performing corroborating inquiries with the Company's project managers and project financial analysts and comparing the estimates to management's work plans and cost estimates.
 - Comparing management's estimates for the selected contracts to historical experience and original budgets, when applicable.
- Tested the mathematical accuracy of management's calculation of revenue for the performance obligation.
- We evaluated management's ability to accurately estimate total contract costs and revenue by comparing actual costs to management's historical estimates for performance obligations that have been fulfilled.

Goodwill – Clinical Development Reporting Unit— Refer to Notes 2 and 10 to the financial statements

Critical Audit Matter Description

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

During the year, due to sustained declines in the Company's share price and uncertainties in global macroeconomic conditions, the Company determined that indicators of impairment existed and performed interim impairment tests as of March 31, 2025, and June 30, 2025. Based on the results of the interim impairment tests, the Company recorded goodwill impairment charges totaling \$797.9 million in its Clinical Development reporting unit. Based on the annual impairment test performed on October 1, 2025, the Company determined that the fair value of the Clinical Development reporting unit was greater than its carrying value, resulting in no impairment.

We identified the Company's interim impairment assessments for the Clinical Development reporting unit as a critical audit matter due to the significant assumptions and judgments by management to estimate the fair value of the reporting unit. Performing audit procedures to evaluate management's estimate of fair value of the reporting unit required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

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

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the evaluation of possible triggering events that might have occurred throughout the year and the determination of the fair value of the Clinical Development reporting unit, such as controls related to management's forecasts and selection of the discount rates.

- We evaluated the reasonableness of management’s forecasts through consideration of (1) current and past performance of the reporting unit, (2) consistency with external peer and industry data, (3) the impact of changes in global macroeconomic conditions on the reporting unit, and (4) consistency with management’s growth strategy and evidence obtained in other areas of the audit.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology, (2) the discount rates, and (3) market activity by:
 - Testing the source information underlying the determination of the discount rates and market multiples, including the mathematical accuracy of the calculations.
 - Developing a range of independent estimates and comparing those to the discount rate and market multiples selected by management.

/s/ Deloitte & Touche LLP

Raleigh, North Carolina

February 26, 2026

We have served as the Company’s auditor since 2022.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Fortrea Holdings Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Fortrea Holdings Inc. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 26, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying 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/ Deloitte & Touche LLP

Raleigh, North Carolina

February 26, 2026

FORTREA HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(in millions)

	December 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 174.6	\$ 118.5
Accounts receivable and unbilled services, net	589.7	659.5
Prepaid expenses and other	132.9	170.2
Total current assets	897.2	948.2
Property, plant and equipment, net	149.5	156.3
Goodwill, net	960.0	1,710.4
Intangible assets, net	622.0	655.7
Deferred income taxes	6.2	5.2
Other assets, net	80.8	103.4
Total assets	\$ 2,715.7	\$ 3,579.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 29.7	\$ 138.2
Accrued expenses and other current liabilities	395.8	369.8
Unearned revenue	473.8	353.3
Current portion of long-term debt	4.8	74.8
Short-term operating lease liabilities	9.2	13.4
Total current liabilities	913.3	949.5
Long-term debt, less current portion	1,048.0	1,049.7
Operating lease liabilities	54.0	60.6
Deferred income taxes and other tax liabilities	97.6	121.7
Other liabilities	39.3	35.3
Total liabilities	2,152.2	2,216.8
Commitments and contingent liabilities (Note 16)		
Equity:		
Common stock, 93.1 and 89.7 shares outstanding at December 31, 2025 and 2024, respectively	0.1	0.1
Additional paid-in capital	2,116.6	2,042.2
Accumulated deficit	(1,383.2)	(397.0)
Accumulated other comprehensive loss	(170.0)	(282.9)
Total equity	563.5	1,362.4
Total liabilities and equity	\$ 2,715.7	\$ 3,579.2

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

FORTREA HOLDINGS INC.
CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Years Ended December 31,		
	2025	2024	2023
Revenues	\$ 2,723.4	\$ 2,696.4	\$ 2,842.5
Costs and expenses:			
Direct costs, exclusive of depreciation and amortization (including costs incurred from related parties of \$48.8 during the year ended December 31, 2023)	2,219.6	2,162.2	2,251.9
Selling, general and administrative expenses, exclusive of depreciation and amortization	456.4	560.7	448.1
Depreciation and amortization	78.0	85.3	89.3
Goodwill and other asset impairments	797.9	—	—
Restructuring and other charges	44.1	50.1	21.2
Total costs and expenses	3,596.0	2,858.3	2,810.5
Operating (loss) income	(872.6)	(161.9)	32.0
Other income (expense):			
Interest expense	(91.4)	(123.8)	(69.7)
Foreign exchange (loss) gain	(26.9)	(10.6)	0.3
Other, net	7.9	21.3	6.9
Loss from continuing operations before income taxes	(983.0)	(275.0)	(30.5)
Income tax expense (benefit)	3.2	(3.5)	1.2
Loss from continuing operations	(986.2)	(271.5)	(31.7)
(Loss) income from discontinued operations, net of tax	—	(57.0)	6.5
Net loss	\$ (986.2)	\$ (328.5)	\$ (25.2)
Earnings (loss) per common share			
Basic and diluted earnings (loss) per share from continuing operations	\$ (10.81)	\$ (3.03)	\$ (0.36)
Basic and diluted earnings (loss) per share from discontinued operations	—	(0.64)	0.07
Basic and diluted earnings (loss) per share	\$ (10.81)	\$ (3.67)	\$ (0.29)

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

FORTREA HOLDINGS INC.
CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions, except per share data)

	Years Ended December 31,		
	2025	2024	2023
Net loss	\$ (986.2)	\$ (328.5)	\$ (25.2)
Foreign currency translation adjustments	112.2	(69.3)	59.3
Net benefit plan adjustments	1.7	1.1	1.2
Unrealized (loss) gain on derivative instruments	(0.7)	1.4	(1.9)
Other comprehensive income (loss) before tax	113.2	(66.8)	58.6
(Provision) benefit for income tax related to items of comprehensive income	(0.3)	(0.6)	0.7
Other comprehensive income (loss), net of tax	112.9	(67.4)	59.3
Comprehensive (loss) income	<u>\$ (873.3)</u>	<u>\$ (395.9)</u>	<u>\$ 34.1</u>

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

FORTREA HOLDINGS INC.
CONSOLIDATED AND COMBINED STATEMENTS OF CHANGES IN EQUITY
(in millions)

	Common Stock		Additional Paid-in Capital	Former Parent Investment	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount					
Balance at December 31, 2022	—	\$ —	\$ —	\$ 3,614.8	\$ —	\$ (274.8)	\$ 3,340.0
Net loss	—	—	—	43.3	(68.5)	—	(25.2)
Other comprehensive income, net of tax	—	—	—	—	—	59.3	59.3
Special payment to Former Parent	—	—	—	(1,595.0)	—	—	(1,595.0)
Net transfers to Former Parent	—	—	—	(91.7)	—	—	(91.7)
Reclassification of Former Parent investment to additional paid-in capital	—	—	1,971.4	(1,971.4)	—	—	—
Issuance of common stock	88.8	0.1	—	—	—	—	0.1
Stock compensation	—	—	26.6	—	—	—	26.6
Balance at December 31, 2023	88.8	0.1	1,998.0	—	(68.5)	(215.5)	1,714.1
Net loss	—	—	—	—	(328.5)	—	(328.5)
Other comprehensive loss, net of tax	—	—	—	—	—	(67.4)	(67.4)
Stock compensation	—	—	58.4	—	—	—	58.4
Issuance of common stock under employee stock plan	0.9	—	—	—	—	—	—
Net share settlement tax payments from issuance of stock to employees	—	—	(14.4)	—	—	—	(14.4)
Other	—	—	0.2	—	—	—	0.2
Balance at December 31, 2024	89.7	0.1	2,042.2	—	(397.0)	(282.9)	1,362.4
Net loss	—	—	—	—	(986.2)	—	(986.2)
Other comprehensive income, net of tax	—	—	—	—	—	112.9	112.9
Stock compensation	—	—	74.4	—	—	—	74.4
Issuance of common stock under employee stock plan	3.4	—	—	—	—	—	—
Balance at December 31, 2025	93.1	\$ 0.1	\$ 2,116.6	\$ —	\$ (1,383.2)	\$ (170.0)	\$ 563.5

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

FORTREA HOLDINGS INC.
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (986.2)	\$ (328.5)	\$ (25.2)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	78.0	86.9	98.0
Stock compensation	74.4	58.4	42.7
Credit loss expense	12.0	22.2	27.8
Operating lease right-of-use asset expense	11.5	14.0	27.4
Operating lease right-of-use asset impairment	1.3	4.8	—
Goodwill and other asset impairments	797.9	24.0	13.4
Deferred income taxes	(32.0)	(24.6)	(41.6)
Unrealized foreign exchange movements	36.4	(19.5)	4.4
Loss on sale of business	—	19.6	—
Write-off of debt issuance costs	1.0	12.2	—
Other, net	4.5	9.3	(1.0)
Change in assets and liabilities:			
Decrease (increase) in accounts receivable and unbilled services, net	70.9	309.9	(53.4)
Decrease (increase) in prepaid expenses and other	32.4	(78.1)	(3.4)
(Decrease) increase in accounts payable	(109.9)	7.2	55.3
Increase (decrease) in deferred revenue	114.8	140.0	(2.2)
Increase in accrued expenses and other	6.5	5.0	26.2
Net cash provided by operating activities	113.5	262.8	168.4
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(25.2)	(25.5)	(40.3)
Proceeds from sale of business, net	39.6	276.6	—
Proceeds from sale of assets	—	0.5	8.5
Net cash provided by (used for) investing activities	14.4	251.6	(31.8)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from revolving credit facilities	453.9	826.5	164.0
Payments on revolving credit facilities	(453.9)	(826.5)	(164.0)
Proceeds from term loans	—	—	1,061.4
Proceeds from issuance of senior notes	—	—	570.0
Debt issuance costs	(0.6)	(0.7)	(26.4)
Principal payments on long-term debt	(75.7)	(482.7)	(15.4)
Payments for taxes related to net share settlement of stock awards	—	(14.4)	—
Special payment to Former Parent	—	—	(1,595.0)

Net transfers to Former Parent	—	—	(135.4)
Net cash used for financing activities	(76.3)	(497.8)	(140.8)
Effect of exchange rate changes on cash and cash equivalents	4.5	(6.7)	2.4
Net change in cash and cash equivalents	56.1	9.9	(1.8)
Cash and cash equivalents at beginning of period	118.5	108.6	110.4
Cash and cash equivalents at end of period	\$ 174.6	\$ 118.5	\$ 108.6

The cash flows related to discontinued operations have not been segregated and are included in the consolidated and combined statements of cash flows.

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

FORTREA HOLDINGS INC
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
(in millions, except per share data)

1. BUSINESS

Description of Business

Fortrea Holdings Inc. (“Fortrea” or the “Company”), a Delaware corporation incorporated on January 31, 2023, is a leading global contract research organization (“CRO”) providing biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. The Company offers customers highly flexible delivery models that include Full Service, Functional Service Provider, and Hybrid Service structures. The Company has a rich history of providing clinical development services for more than 30 years across more than 20 therapeutic areas, first as Covance and later as Labcorp Drug Development. On June 30, 2023, the Company completed a spin-off (the “Spin” or the “Separation”) from Labcorp Holdings Inc. (“Labcorp” or “Former Parent”). The Company leverages its global scale, clinical data insights, scientific and therapeutic expertise, technology innovation, industry network and decades of experience as a standalone company and as a business unit prior to the Spin to deliver tailored solutions to its customers. With what the Company believes is a distinctive market offering, Fortrea meets growing global demand for clinical development services. The Company has established access to all key markets worldwide through a strategic footprint of primary office locations in five countries (the United States, the United Kingdom, China, India and Japan) with field operations in other jurisdictions worldwide.

Reportable Segment

The Company manages its business in one reportable segment - Clinical Services, that provides development and consulting services across the clinical pharmacology and clinical development spectrum.

On March 9, 2024, the Company, together with its wholly-owned subsidiary, Fortrea Inc., entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, to sell the operations of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries; which are all collectively referred to as the Enabling Services Segment. The Transaction closed during the second quarter of 2024. Refer to Note 3, “Discontinued Operations” for further discussion.

For all periods presented, the Company's consolidated revenues from continuing operations were generated from the Clinical Services segment, which provides phase I-IV clinical trials, including clinical pharmacology and comprehensive clinical development capabilities. The Company's chief operating decision maker allocates resources and assesses performance for the Clinical Services segment. For further financial information about the segment, see Note 21, “Business Segment Information”.

Discontinued Operations

In accordance with the definition of discontinued operations, the Company's decision to sell the assets relating to the Enabling Services Segment represented a strategic shift that had a major effect on the Company's results of operations for the periods presented. The operations of the Enabling Services Segment have been classified as (loss) income from discontinued operations on the consolidated and combined statements of operations for all periods presented.

Unless otherwise noted, discussion within these notes to the consolidated and combined financial statements relates to the Company's continuing operations.

FORTREA HOLDINGS INC
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Agreements with Labcorp

On June 30, 2023, the Company completed the Spin from Labcorp. The Company entered into several agreements with Labcorp that govern the relationship of the parties following the Separation, including the Separation and Distribution Agreement, the Tax Matters Agreement, the Employee Matters Agreement, and the Transition Services Agreement with Labcorp, which are described in the Company's Registration Statement on Form 10, as amended ("Form 10"), as filed with the Securities and Exchange Commission (the "SEC"). Under the terms of the Transition Services Agreement, the Company and Labcorp agreed to provide each other certain transitional services. The services and assets to be provided to Fortrea by Labcorp support the Company's enterprise functions, most notably IT applications, network and security support and hosting, as well as finance, human resources, marketing and other administrative support. The Transition Services Agreement expired by its terms in full on June 30, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Basis of Financial Statement Presentation***

Prior to June 30, 2023, Fortrea existed and functioned as part of the consolidated business of Former Parent. The Company's financial statements for periods through the Spin reflect the historical financial position, results of operations and cash flows of the Company, for the periods presented, prepared on a "carve-out" basis and have been derived from the consolidated financial statements and accounting records of Labcorp using the historical results of operations and historical basis of assets and liabilities of the Company, and reflect Labcorp's net investment in the Company. The consolidated financial statements subsequent to June 30, 2023 reflect the financial position, results of operations, and cash flows of Fortrea as a standalone company, whereas all prior periods included consolidated and combined financial statements. The Company's consolidated and combined financial statements for all periods presented are referred to throughout this document as "financial statements."

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements do not necessarily reflect what the financial position, results of operations, and cash flows would have been had it operated as a standalone company during the prior periods presented.

The consolidated and combined statements of operations include all revenues and costs directly attributable to Fortrea's business. The combined statements of operations for prior periods also include costs for certain centralized functions and programs provided and administered by Labcorp that were allocated to Fortrea. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales expenses, information technology, human resources, finance, supply chain, executive leadership and stock-based compensation.

These expenses were allocated to Fortrea based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net revenues or headcount or another reasonable driver, as applicable. Fortrea considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, Fortrea during the prior periods presented. However, the allocations may not reflect the expenses Fortrea would have incurred as an independent company for the prior periods presented and may not be representative of future expenses that may be incurred. Actual costs that may have been incurred if Fortrea had been a standalone company would depend on a number of factors, including, but not limited to, the organizational structure, whether functions were outsourced or performed by employees, and strategic decisions made in areas such as information technology and infrastructure. For a period following the Spin some of these functions are provided by Labcorp.

As of December 31, 2022, a Former Parent investment is shown in lieu of common stock and retained earnings accounts in the combined financial statements. The total net effect of the settlement of the transactions between the Company and Labcorp, exclusive of those historically settled in cash, is reflected in the combined statements of cash flows in cash flows from financing activities as net transfers to Former Parent.

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All intercompany transactions within the Company have been eliminated. All transactions between the Company and Former Parent have been included in these consolidated and combined financial statements. The Former Parent investment and all due from or due to Former Parent were settled at the time of the Spin. Refer to Note 19, “Transactions with Former Parent” for further information.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant estimates include revenue recognition, deferred tax assets, restructuring reserves, stock based compensation, valuation of goodwill and intangibles, amortization lives for acquired intangible assets, and the fair values of assets acquired and liabilities assumed in business combinations. Actual results could materially differ from those estimates.

Recognition of Revenues

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

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

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

Software as a service (“SaaS”) arrangements represent a single promise to provide continuous access to a hosted software platform. As each day of providing access to the platform is substantially the same, and the customer simultaneously receives and consumes the benefits as access is provided, the Company recognizes revenue using an output method based on time elapsed, which is on a straight-line basis over the course of the contracted SaaS hosting period.

Contracts are often modified to account for changes in contract specifications and requirements. Generally, when contract modifications create new performance obligations, the modification is considered to be a separate contract and revenue is recognized prospectively. When contract modifications change existing performance obligations, the impact on the existing transaction price and measure of progress for the performance obligation to

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which it relates is generally recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

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

Contract costs

The Company incurs sales commissions in the process of obtaining contracts with customers, which are recoverable through the service fees in the contract. Sales commissions that are payable upon contract award are recognized as assets and amortized over the expected contract term, along with the related payroll tax expense. The amortization of commission expense is based on the weighted average contract duration for all commissionable awards in the respective business in which the commission expense is paid, which approximates the period over which goods and services are transferred to the customer. The amortization period of sales commissions ranges from approximately 1 to 4 years, depending on the business. For short-term contracts, the Company applies the practical expedient which allows costs to obtain a contract to be expensed when incurred if the amortization period of the assets that would otherwise have been recognized is one year or less. Amortization of assets from sales commissions is included in selling, general, and administrative expense.

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

Accounts Receivable, Unbilled Services and Unearned Revenue

Differences in the timing of revenue recognition and associated billing and cash collections result in recording accounts receivable, unbilled services and unearned revenue in the consolidated and combined balance sheets. Payments received in advance of services being provided are contract liabilities recognized as unearned revenue. Revenue recognized in advance of billing is recognized as unbilled services. Once a customer is invoiced, the contract asset is reduced for the amount billed, and a corresponding accounts receivable is recognized. All contract assets are billable to customers within one year from the respective balance sheet date.

Allowance for Credit Losses

The Company maintains current receivable amounts with most of its customers. Fluctuations in accounts receivable, net are attributable to a variety of factors including, but not limited to, the timing of cash receipts from customers, the Company's assessment of collectability and corresponding provision for bad debt expense and the inception, transition, modification or termination of customer relationships. The Company regularly monitors and assesses its risk of not collecting amounts owed by customers. This evaluation is based upon an analysis of current and past due amounts, along with relevant history and facts particular to the customer and the evaluation of the recoverability of amounts due. The Company records its allowance for credit losses based on the results of this analysis. The analysis requires the Company to make significant estimates and, as such, changes in facts and circumstances could result in material changes in the allowance for credit losses.

Reimbursed Expenses

The Company is reimbursed by its customers for certain costs, including fees paid to principal investigators and for other out-of-pocket costs (such as travel expenses for the Company's clinical monitors). The Company includes these costs in total operating expenses, and the related reimbursements result in revenue, as the Company is the principal in the applicable arrangements and is responsible for fulfilling the promise to provide the specified services.

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Costs and Expenses

Direct costs include payroll and related benefits for project-related employees, reimbursable expenses (pass through costs), transition services agreement costs, information technology costs and other direct costs. Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, transition services agreement costs, information technology costs, other facility charges, advertising and promotional expenses, and administrative travel.

Concentration of Credit Risk

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

The Company maintains cash and cash equivalents with various major financial institutions. These financial institutions are generally highly rated and geographically dispersed. The Company evaluates the relative credit standing of these financial institutions and has not sustained credit losses from instruments held at financial institutions.

Substantially all of the Company's accounts receivable and unbilled services are with companies in the pharmaceutical, biotechnology and medical device industries. As of December 31, 2025, one pharmaceutical customer accounted for approximately 18.3% of the Company's combined gross accounts receivable and unbilled services. As of December 31, 2024, two pharmaceutical customers accounted for approximately 22.2% and 13.8% of the Company's combined gross accounts receivable and unbilled services. Additionally, for the year ended December 31, 2025, one customer accounted for approximately 18.1% of revenue, for the year ended December 31, 2024, two customers accounted for approximately 14.3% and 10.5% of revenue, and for the year ended December 31, 2023, two customers accounted for approximately 11.6% and 11.4% of revenue. Concentrations of credit risk are mitigated due to the number of the Company's customers as well as their dispersion across many different geographic regions. Additionally, the Company applies assumptions and judgments, including historical collection experience and reasonable and supportable forecasts, for assessing collectability and determining allowances for doubtful accounts.

Stock Compensation Plans

Certain employees participate in the stock compensation plans sponsored by Fortrea. The Company's stock compensation awards consist of stock options, restricted stock unit awards and performance share awards and are based on its common shares. Compensation expense for all stock-based employee grants are recognized based on the fair value of the Company's shares on the date of grant. Stock-based compensation expense is recognized net of an estimated forfeiture rate on a straight-line basis over the requisite service period of the award. The estimation of equity awards that will ultimately vest requires judgment, and the Company considers many factors when estimating expected forfeitures, including types of awards and historical experience. Forfeitures are recognized as a reduction of compensation expense in earnings in the period in which they occur. The consolidated and combined statements of operations also include an allocation of the Former Parent's corporate and shared employee stock-based compensation expenses. See Note 15, "Stock Compensation Plans" for additional information.

Cash Equivalents

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

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Property, Plant and Equipment

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

	<u>Years</u>		
Buildings and building improvements	10	-	40
Machinery and equipment	5	-	10
Furniture and fixtures	3	-	10
Software	3	-	10

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

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

Capitalized Software Costs

The Company capitalizes purchased software that is ready for service and capitalizes software development costs incurred on significant projects starting from the time that the preliminary project stage is completed and the Company commits to funding a project until the project is substantially complete and the software is ready for its intended use. Other computer software maintenance costs related to software development are expensed as incurred.

Capitalized software costs are amortized using the straight-line method over the estimated useful life of the underlying system ranging from three to ten years, generally five years. Amortization begins once the underlying system is substantially complete and ready for its intended use.

Cloud Computing Arrangements

The Company defers costs incurred with the implementation of a cloud computing arrangement that is a service contract, consistent with its policy for software developed or obtained for internal use. Deferred cloud computing arrangement implementation costs are amortized using the straight-line method over the remaining term of the related hosting contract. As of December 31, 2025 the Company had a current asset of \$4.5 included in prepaid expenses and other and a non-current asset of \$21.4 included in other assets, net in the consolidated balance sheet that have been deferred in conjunction with implementations. As of December 31, 2024 the Company had a current asset of \$2.5 included in prepaid expenses and other and a non-current asset of \$18.7 included in other assets, net in the consolidated balance sheet that have been deferred in conjunction with implementations. Cloud computing arrangement expense was \$4.5, \$— and \$— for the years ended December 31, 2025, 2024 and 2023, respectively.

Goodwill

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

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

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

Goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Recoverability of assets to be held and used is determined by the Company at the level for which there are identifiable cash flows, by comparison of the carrying amount of the assets to future undiscounted net cash flows before interest expense and income taxes expected to be generated by the assets. Impairment, if any, is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets (based on market prices in an active market or on discounted cash flows). Assets to be disposed of are reported at the lower of the carrying amount or fair value.

Intangible Assets

Intangible assets are amortized on a straight-line basis over the expected periods to be benefited, as set forth in the table below.

	Years		
Customer relationships	9	-	25
Technology	2	-	13
Non-compete agreements	3	-	5

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

Leases

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

A certain number of these leases contain rent escalation clauses either fixed or adjusted periodically for inflation or market rates that are factored into the Company's determination of lease payments. As most of the Company's leases do not provide an implicit rate, the Company estimates an incremental borrowing rate based on the credit

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quality of the Company and by comparing interest rates available in the market for similar debt financing, and adjusting this amount based on the impact of collateral over the term of each lease. The Company uses this rate to discount payments to present value. Some operating leases contain renewal options, some of which also include options to early terminate the leases. The exercise of these options is at the Company's discretion and the Company evaluates each renewal option to determine if it is reasonably possible to be exercised and should be included in the accounting lease term. See Note 8, "Leases" to the consolidated and combined financial statements.

Restructuring

Restructuring charges consist primarily of severance and facility charges, including right-of-use asset impairments. The Company evaluates the nature of these costs to determine if they relate to ongoing benefit arrangements which are accounted for under ASC 712, *Compensation - Nonretirement Postemployment Benefits*, or one-time benefit arrangements which are accounted for under ASC 420, *Exit or Disposal Cost Obligations*. The Company records a liability for ongoing employee termination benefits when it is probable that an employee is entitled to the benefit and the amount can be reasonably estimated. One-time employee termination costs are recognized upon notification to the impacted employees, unless future service is required, in which case the costs are recognized ratably over the future service period. All other related costs are recognized when incurred.

Income Taxes

In 2023, for U.S. federal and state purposes, the Company was included in the tax returns filed by Labcorp for the period prior to the Spin. For the periods after the Spin, the Company will file its U.S. federal and state filings as a separate taxpayer. The Company filed its foreign income tax returns for 2023 inclusive of activity for the entire year. For the year ended December 31, 2023, the activity prior to the Spin was calculated on a carve-out basis while the post Spin period was based on as-reported amounts. For the years ended December 31, 2024 and 2025, the income tax provision was calculated based on full year, as-reported amounts. The provision for income taxes is determined using the asset and liability approach. Under this approach, deferred income taxes represent the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. The Company records a valuation allowance to reduce its deferred tax assets when uncertainty regarding their realizability exists. The Company recognizes and measures its uncertain tax positions based on the rules under Accounting Standards Codification ("ASC") 740, "Income Taxes". Interest and penalties related to these unrecognized tax benefits are reported in income tax expense.

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Derivative Financial Instruments

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

Interest rate swap agreements, which are used by the Company from time to time in the management of interest rate exposure, are accounted for at fair value. These derivative instruments are accounted for as cash flow hedges and recognized as assets and liabilities, as applicable, and classified as current or noncurrent based on the swap's settlement dates. The derivative instruments have been assessed and are considered to be perfectly effective hedges and accordingly, changes in the fair value of the interest rate swaps are initially recorded in the consolidated and combined statements of comprehensive income (loss). Cash flows from the interest rate swaps are included in operating activities.

Foreign currency forward contracts, which are used by the Company to hedge the Company's foreign currency exposure, are accounted for at fair value. These contracts are short-term in nature and are not designated hedging instruments; therefore changes in the fair value of the Company's foreign currency forward contracts are recognized directly in earnings. Cash flows from the foreign currency forward contracts are included in operating activities.

Fair Value of Financial Instruments

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

The carrying amounts of cash and cash equivalents, accounts receivable, income taxes receivable, and accounts payable are considered to be representative of their respective fair values due to their short-term nature.

Foreign Currencies

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

Earnings Per Share

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

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Recently Issued and Adopted Accounting Standards

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This guidance requires qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid by jurisdiction. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. The Company has adopted this ASU, see Note 14, “Income Taxes.” The adoption of this standard did not have a material impact on the Company’s results of operations, financial position or cash flows.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The new guidance requires disclosure of certain costs and expenses in the notes to the financial statements. This guidance is effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The disclosures required under the guidance can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all periods presented in the financial statements. The Company is currently evaluating the impact this guidance will have on its financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The new guidance simplifies the accounting for internally developed software by replacing the existing phase-based capitalization model with a principles-based approach that focuses on management’s authorization and the probability of project completion. The guidance is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Entities may apply the guidance using a prospective, retrospective, or modified transition approach, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities. This ASU establishes guidance on the recognition, measurement, and presentation of government grants received by business entities. The guidance is intended to improve consistency and transparency by providing a comprehensive accounting framework for government grants under U.S. GAAP. The guidance is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its financial statements and disclosures.

3. DISCONTINUED OPERATIONS

On March 9, 2024, the Company entered into the Purchase Agreement with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, pursuant to which Fortrea Inc. agreed to sell, and to cause its affiliates to sell, net assets relating to its Enabling Services Segment (the “Transaction”), specifically its Patient Access and Endpoint businesses, including the sale of equity interests of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries. The final adjusted purchase price for the Transaction was \$340.0, subject to customary purchase price adjustments, with \$295.0 paid at closing and \$45.0 to be paid upon achievement of certain transition-related milestones. The Transaction closed during the second quarter of 2024. The first milestone payment in the amount of \$20.0 was received in the first quarter of 2025. The second and final milestone payment in the amount of \$25.0 was received in the third quarter of 2025. The Transaction resulted in a loss on disposal of \$19.6.

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	Years Ended December 31,	
	2024	2023
Depreciation and amortization	\$ 1.6	\$ 8.7
Goodwill impairment	24.0	13.4
Loss on sale of business	19.6	—
Capital expenditures	7.4	15.9

There are no significant operating or investing noncash items related to discontinued operations for the years ended December 31, 2024 and 2023.

4. REVENUES

The Company's revenues by geography for the years ended December 31, 2025, 2024 and 2023 are as follows:

	Years Ended December 31, 2025			
	North America	Europe	Other	Total
Revenues	\$ 1,289.6	\$ 851.7	\$ 582.1	\$ 2,723.4

	Years Ended December 31, 2024			
	North America	Europe	Other	Total
Revenues	\$ 1,269.5	\$ 800.0	\$ 626.9	\$ 2,696.4

	Years Ended December 31, 2023			
	North America	Europe	Other	Total
Revenues	\$ 1,398.4	\$ 827.5	\$ 616.6	\$ 2,842.5

Revenue from the United States comprises substantially all revenue in North America.

Contract costs

The following table provides information about contract asset balances:

	December 31, 2025	December 31, 2024
Sales commission assets	\$ 21.4	\$ 22.1
Deferred contract costs	0.4	1.1
Total	\$ 21.8	\$ 23.2

Amortization related to sales commission assets for the years ended December 31, 2025, 2024 and 2023, was \$11.9, \$12.0 and \$11.5, respectively. Amortization related to deferred contract costs for the years ended December 31, 2025, 2024 and 2023, was \$0.7, \$1.9 and \$2.1, respectively. The Company applies the practical expedient to not recognize the effect of financing in its contracts with customers, when the difference in timing of payment and performance is one year or less.

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Accounts Receivable, Unbilled Services and Unearned Revenue

The following table provides information about accounts receivable, unbilled services, and unearned revenue from contracts with customers:

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 113.6	\$ 156.5
Unbilled services	517.3	542.3
Less: allowance for credit losses	(41.2)	(39.3)
Total	<u>\$ 589.7</u>	<u>\$ 659.5</u>
Unearned revenue	\$ 473.8	\$ 353.3

Revenue recognized during the period, that was included in the unearned revenue balance at the beginning of the period, was \$232.4, \$155.5 and \$176.4 for the years ended December 31, 2025, 2024 and 2023, respectively. Additionally, as of the year ended December 31, 2025, the Company had sold \$300.0 of receivables as described in the *Receivables Securitization Program* section below.

Credit Loss Rollforward

The Company estimates future expected losses on accounts receivable and unbilled services over the remaining collection period of the instrument.

The rollforward for the allowance for credit losses for the years ended December 31, 2025 and 2024, is as follows:

Allowance for credit losses as of December 31, 2023	\$ 31.7
Credit loss expense	22.2
Write-offs	(14.6)
Allowance for credit losses as of December 31, 2024	<u>39.3</u>
Credit loss expense	12.0
Write-offs	(10.1)
Allowance for credit losses as of December 31, 2025	<u>\$ 41.2</u>

Performance Obligations Under Long-Term Contracts

As of December 31, 2025, approximately \$4,632.1 of revenues are expected to be recognized in the future from remaining performance obligations. The Company expects to recognize approximately 29.3% of the remaining performance obligations as revenue over the next 12 months, and the remaining balance thereafter. The Company's long-term contracts generally range from one to eight years.

During the year ended December 31, 2025, there were reductions of approximately \$16 in revenue related to performance obligations partially satisfied in previous periods. For the year ended December 31, 2025, the majority of the change was associated with changes in estimated effort to complete customer contract obligations and a smaller portion related to changes in scope or price. For the year ended December 31, 2025, the change in estimate resulted in an estimated reduction to revenue of \$17, and an increase in loss from continuing operations of \$17 and in loss per share of \$0.19.

During the year ended December 31, 2024, there were reductions of approximately \$61 in revenue related to performance obligations partially satisfied in previous periods. For the year ended December 31, 2024, the change was associated with both changes in estimated effort to complete customer contract obligations and changes in scope

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or price. For the year ended December 31, 2024, the change in estimate resulted in an estimated reduction to revenue of \$29, and an increase in loss from continuing operations of \$29 and in loss per share of \$0.33.

During the year ended December 31, 2023, there were reductions of approximately \$60 in revenue related to performance obligations partially satisfied in previous periods. For the year ended December 31, 2023, substantially all of the change was associated with changes in scope or price for full service clinical studies. The gross and net amount of revenue recognized solely from changes in estimates was not material.

The Company applies the practical expedient and does not disclose information about remaining performance obligations where (i) the performance obligation is part of a contract that has an original expected duration of one year or less or (ii) when the Company recognizes revenue from the satisfaction of the performance obligation in accordance with the right-to-invoice practical expedient.

Accounts Receivable Purchase Program

On June 23, 2023, Fortrea entered into an accounts receivable purchase program (“ARPP”) with a financial institution (the “Financial Institution”). The ARPP established a receivables factoring facility whereby the Company could sell up to \$80.0 in customer receivables based on the availability of certain eligible receivables and the satisfaction of certain conditions. Under the facility, the Company could sell eligible receivables and retain no interest in the transferred receivables other than collection and administrative functions for the Financial Institution.

The Company accounted for these receivable transfers as sales and derecognized the sold receivables from its balance sheets. The fair value of the sold receivables approximated their book value due to their short-term nature. The Company continued to service, administer and collect the receivables on behalf of the Financial Institution and did not receive a servicing fee as part of the arrangement. On June 28, 2023, \$17.5 of receivables were sold with net proceeds of \$17.3. The ARPP was terminated in May 2024, and there were no receivables outstanding as of the date of termination.

Receivables Securitization Program

On May 6, 2024, the Company entered into a three-year \$300.0 accounts receivable securitization program (the “Receivables Facility”). Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity (“SPE”), who in turn, may sell receivables to a third-party financial institution in exchange for cash. The facility is without recourse to the Company or any subsidiaries of the Company, other than with respect to limited indemnity obligations of Fortrea Inc., in respect to the character of the receivables sold and as to the performance of its duties as servicer and a limited performance guaranty by the Company. All unsold accounts receivables held by the SPE are pledged as collateral to secure the collectability of the sold receivables. The Receivables Facility is scheduled to terminate on May 6, 2027, unless terminated earlier pursuant to its terms.

As of December 31, 2025, the Company had sold \$300.0 of receivables, which were derecognized from the Company’s consolidated balance sheet as described in the *Accounts Receivable, Unbilled Services and Unearned Revenue* section above. Total costs associated with the sale were \$17.8 and \$12.3 for the years ended December 31, 2025 and 2024, respectively, and are included within selling, general and administrative costs in the consolidated and combined statement of operations. The proceeds related to the Receivables Facility are reflected in cash from operating activities in the consolidated and combined statement of cash flows.

On February 24, 2026, the Company amended its Receivables Facility, which had been scheduled to terminate on May 6, 2027. The amended Receivables Facility is scheduled to terminate on February 23, 2029, unless terminated earlier pursuant to its terms.

5. RESTRUCTURING AND OTHER CHARGES

The Company regularly undertakes various programs aimed at increasing efficiency, utilizing lower cost locations and adapting to changes in the needs of its customers. These programs include the regular review of the number and location of the Company’s existing employees and facilities compared to the shifting needs of its

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customers, developments in technology and remote working, and its capabilities to utilize lower cost locations. Restructuring and other charges are not allocated to the Company's reportable segment as they are not part of the segment performance measures regularly reviewed by management.

During 2023, the Company took actions to reduce overcapacity, align resources, and restructure certain operations. These actions, which primarily relate to employee severance benefits accounted for under ASC 420, *Exit or Disposal Cost Obligations* and right-of-use asset impairment charges, included eliminating redundant positions and aligning resources and facilities for cost improvements and to meet customer requirements. In addition, in the fourth quarters of 2024 and 2025, the Company approved restructuring plans to streamline its operations and eliminate redundant positions. The Company recorded restructuring charges of \$21.3 and \$18.1 related to the 2024 and 2025 plans, respectively, which relate primarily to severance benefits and are accounted for under ASC 712, Compensation - Nonretirement Postemployment Benefits. Actions under these restructuring plans are expected to continue through 2026.

2025 Restructuring

During 2025, the Company recorded net restructuring charges of \$44.1, including impairment of facility related assets of \$3.2 and other charges of \$7.3, which are reflected within restructuring and other charges in the consolidated and combined statements of operations. The charges were comprised of \$37.1 in severance and other employee costs and \$7.0 in facility-related and other costs. The Company expects the restructuring and other charges accrued as of December 31, 2025 will be paid within the next twelve months and are included within accrued expenses and other current liabilities on the accompanying consolidated balance sheet.

2024 Restructuring

During 2024, the Company recorded net restructuring charges of \$50.1, including impairment of facility related assets of \$4.8 and other charges of \$7.1, which are reflected within restructuring and other charges in the consolidated and combined statements of operations. The charges were comprised of \$46.7 in severance and other employee costs and \$7.2 in facility-related and other costs. The charges were partially offset by the reversal of the previously established liability of \$0.8 in unused severance and \$3.0 in unused facility-related costs.

2023 Restructuring

During 2023, the Company recorded net restructuring charges of \$21.2 which were comprised of \$17.4 in severance and other employee costs and \$3.8 in lease and other facility-related costs.

The Company recorded restructuring and other charges as follows:

	Years Ended December 31,		
	2025	2024	2023
Restructuring charges	\$ 40.9	\$ 45.3	\$ 21.0
Impairment of facility related assets	3.2	4.8	—
Restructuring charges allocated from Former Parent	—	—	0.2
Total	<u>\$ 44.1</u>	<u>\$ 50.1</u>	<u>\$ 21.2</u>

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

	Severance and Other Employee Costs	Facility and Other Costs	Total
Balance as of December 31, 2023	\$ 1.1	\$ 3.2	\$ 4.3
Restructuring charges	41.2	0.8	42.0
Reduction of prior restructuring accruals	(0.8)	(3.0)	(3.8)
Cash payments and other adjustments	(18.4)	(0.4)	(18.8)
Balance as of December 31, 2024	23.1	0.6	23.7
Restructuring charges	31.0	2.6	33.6
Cash payments and other adjustments	(31.2)	(2.7)	(33.9)
Balance as of December 31, 2025	<u>\$ 22.9</u>	<u>\$ 0.5</u>	<u>\$ 23.4</u>

The restructuring liabilities are current as of December 31, 2025 and December 31, 2024 and are included in accrued expenses and other current liabilities in the consolidated balance sheets.

6. EARNINGS (LOSS) PER SHARE

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

The following represents the computation of basic and diluted earnings (loss) per share from continuing operations per share.

	Years Ended December 31,								
	2025			2024			2023		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) from continuing operations per share:									
Net earnings (loss)	\$ (986.2)	91.2	\$ (10.81)	\$ (271.5)	89.5	\$ (3.03)	\$ (31.7)	88.8	\$ (0.36)

The following represents the computation of basic and diluted earnings (loss) per share from discontinued operations per share.

	Years Ended December 31,								
	2025			2024			2023		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) from discontinued operations per share:									
Net earnings (loss)	\$ —	—	\$ —	\$ (57.0)	89.5	\$ (0.64)	\$ 6.5	88.8	\$ 0.07

Diluted earnings per share represent the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. These potential shares include dilutive stock options and unissued restricted stock awards. Potential common shares are also considered antidilutive in the event

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of a net loss from operations. There were no dilutive common shares for any period presented as the inclusion would be antidilutive.

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

	Years Ended December 31,		
	2025	2024	2023
Employee stock options and awards	4.4	2.2	0.3
Antidilutive employee stock options and awards excluded based on reporting a net loss for the period	2.1	0.8	0.3

7. PREPAID EXPENSES AND OTHER CURRENT ASSETS

The components of prepaid expense and other current assets are as follows:

	December 31, 2025	December 31, 2024
Prepaid expenses	\$ 65.0	\$ 58.5
Contingent consideration	—	41.7
Research and development tax credit receivables	30.3	34.5
Other	37.6	35.5
Prepaid expenses and other	\$ 132.9	\$ 170.2

8. LEASES

The Company has operating leases for clinical facilities, general office spaces, vehicles, and office equipment. Leases have remaining lease terms of less than a year to 17 years, some of which include options to extend the leases for up to 6 years.

The components of lease expense were as follows:

	Years Ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 15.9	\$ 17.8	\$ 26.0

Supplemental cash flow information related to leases was as follows:

	Years Ended December 31,		
	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ (16.9)	\$ (19.9)	\$ (27.6)
ROU assets obtained in exchange for lease obligations:			
Operating leases	\$ 16.0	\$ 15.2	\$ 60.1

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Supplemental balance sheet information related to leases was as follows:

	December 31, 2025	December 31, 2024
Operating lease ROU assets (included in Property, plant and equipment, net)	\$ 56.0	\$ 66.2
Short-term operating lease liabilities	9.2	13.4
Operating lease liabilities	54.0	60.6
Total operating lease liabilities	<u>\$ 63.2</u>	<u>\$ 74.0</u>
Weighted Average Remaining Lease Term	10.5 years	10.1 years
Weighted Average Discount Rate	7.1%	5.7%

Maturities of lease liabilities are as follows:

Year ended December 31, 2025	Operating Leases
2026	\$ 12.3
2027	10.6
2028	9.2
2029	8.8
2030	6.8
Thereafter	39.5
Total lease payments	87.2
Less imputed interest	(24.0)
Less current portion	(9.2)
Total maturities, due beyond one year	<u>\$ 54.0</u>

There was \$3.9, \$2.9 and \$0.2 rent expense for short term leases with a term less than one year for the years ended December 31, 2025 and 2024 and 2023, respectively. Additionally, the Company earned \$4.0, \$3.4 and \$1.7 in sublease income for the years ended December 31, 2025, 2024 and 2023.

Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the right-of-use assets or lease liabilities and are expensed as incurred. The Company records variable lease payments that do not depend on a rate index, primarily for purchase volume commitments, as variable cost when incurred. There were no variable payments for the years ended December 31, 2025, 2024 and 2023.

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9. PROPERTY, PLANT AND EQUIPMENT, NET

	December 31, 2025	December 31, 2024
Buildings and leasehold improvements	\$ 81.4	\$ 82.2
Software	89.7	82.3
Machinery and equipment	67.8	66.7
Furniture and fixtures	14.0	13.5
Construction in progress	23.9	9.5
Operating lease ROU assets	56.0	66.2
	332.8	320.4
Less accumulated depreciation	(183.3)	(164.1)
	<u>\$ 149.5</u>	<u>\$ 156.3</u>

Depreciation expense of property, plant and equipment, net was \$19.7, \$24.5 and \$28.6 for the years ended December 31, 2025, 2024 and 2023, respectively, including software amortization of \$5.9, \$4.3 and \$11.7 for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company's property, plant and equipment, net by geography as of December 31, 2025 and 2024 are as follows:

	Years Ended December 31,	
	2025	2024
North America	\$ 78.9	\$ 69.5
Europe	55.9	71.3
Other	14.7	15.5
Total property, plant and equipment, net	<u>\$ 149.5</u>	<u>\$ 156.3</u>

10. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill and intangible assets are the result of historical acquisitions; primarily the acquisition of Covance in 2015 by Labcorp. Subsequent acquisitions of businesses were allocated to Fortrea based on the inclusion of the business activities using valuations at the time of acquisition.

The Company's policy is to assess goodwill for impairment annually as of October 1, with more frequent assessments if events or changes in circumstances indicate the carrying amount may not be recoverable.

Based on the annual test performed on October 1, 2024, it was previously determined that the fair values of the Company's reporting units were greater than the carrying values, resulting in no impairment. For the Clinical Development reporting unit, the fair value of the business exceeded the carrying value by approximately 10% as of October 1, 2024.

During the first and second quarters of 2025, due to sustained declines in the Company's share price and uncertainties in global macroeconomic conditions, the Company determined that indicators of impairment existed. As a result, the Company performed interim impairment tests as of March 31, 2025 and June 30, 2025. There were no indicators of impairment for the third and fourth quarters of 2025.

Based upon the results of the quantitative assessment as of March 31, 2025, the Company concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of \$488.8.

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Based upon the results of the quantitative assessment as of June 30, 2025, the Company concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of \$309.1.

For the goodwill impairment tests, the fair values of the Clinical Development and Clinical Pharmacology reporting units were computed using both income-based and market-based valuation methods. The income-based approach is based on the reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted average cost of capital. The discount rate used reflects the risks inherent in realizing the forecasted cash flows and considers the risk-free rate of return on long-term treasury securities, the risk premium associated with investing in equity securities of comparable companies, the beta obtained from the comparable companies and the cost of debt for investment grade issuers. The discount rate used for the Clinical Development reporting unit quantitative assessments as of March 31, 2025 and June 30, 2025 was 10.0% and 10.5%, respectively. The increase in the discount rate was primarily the result of macroeconomic and market factors.

For the market-based approach, the Company utilizes a number of factors such as publicly available information regarding the market capitalization of the Company as well as operating results, business plans, market multiples, and present value techniques. Based upon the range of estimated values developed from the income and market-based methods, the Company determines the estimated fair value for the reporting unit. The resulting estimated fair values of the combined reporting units are reconciled to the Company's market capitalization including an estimated implied control premium. The share price used to calculate the Company's market capitalization was \$7.55 per share and \$4.94 per share as of March 31, 2025 and June 30, 2025, respectively.

In performing its annual goodwill impairment test as of October 1, 2025, the Company elected to perform the qualitative assessment on its two reporting units, Clinical Development and Clinical Pharmacology. Based on the results of the qualitative assessment, the Company concluded that the fair values of each of its reporting units were greater than the carrying values, resulting in no impairment.

The changes in the carrying amount of goodwill for the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Balance as of January 1	\$ 1,710.4	\$ 1,739.4
Impairment	(797.9)	—
Foreign currency impact and other adjustments to goodwill	47.5	(29.0)
Balance at end of year	<u>\$ 960.0</u>	<u>\$ 1,710.4</u>

The cumulative goodwill impairment for the Company through December 31, 2025 and 2024 was \$797.9 and \$—, respectively, and relates to the Clinical Development reporting unit as noted above.

The components of identifiable intangible assets are as follows:

	December 31, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 1,168.1	\$ (546.4)	\$ 621.7	\$ 1,124.1	\$ (469.4)	\$ 654.7
Technology	27.7	(27.5)	0.2	27.7	(27.3)	0.4
Other	12.5	(12.4)	0.1	12.5	(11.9)	0.6
Total	<u>\$ 1,208.3</u>	<u>\$ (586.3)</u>	<u>\$ 622.0</u>	<u>\$ 1,164.3</u>	<u>\$ (508.6)</u>	<u>\$ 655.7</u>

Amortization of intangible assets was \$58.3, \$60.8 and \$60.7 for the years ended December 31, 2025, 2024 and 2023 respectively. Amortization expense of intangible assets is estimated to be \$55.6 in 2026, \$55.6 in 2027, \$49.1 in 2028, \$48.0 in 2029, \$48.0 in 2030, and \$365.7 thereafter.

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There were no goodwill impairment losses for the years ended December 31, 2024 or 2023. There were no identifiable intangible asset impairment losses for the years ended December 31, 2025, 2024 or 2023.

11. DEBT

In connection with the Spin, Fortrea incurred indebtedness in an aggregate principal amount of approximately \$1,640.0, which consisted of borrowings under senior secured term loan facilities and senior secured notes. Fortrea also entered into a \$450.0 senior secured revolving credit facility. Fortrea used the proceeds from these debt transactions to make a cash distribution to Labcorp as consideration for the assets that were contributed to the Company in connection with the Spin.

The current portion of long-term debt consisted of the following:

	December 31, 2025	December 31, 2024
Current portion of 7.5% senior notes due 2030	\$ —	\$ 76.0
Current portion of senior secured term loan A facility due 2028	4.8	—
Debt issuance discount and fees	—	(1.2)
Total short-term borrowings and current portion of long-term debt	<u>\$ 4.8</u>	<u>\$ 74.8</u>

Long-term debt consisted of the following:

	December 31, 2025	December 31, 2024
7.5% senior notes due 2030	\$ 494.3	\$ 494.0
Senior secured term loan A due 2028	412.5	417.3
Senior secured term loan B due 2030	154.7	154.7
Debt issuance discount and fees	(13.5)	(16.3)
Total long-term debt	<u>\$ 1,048.0</u>	<u>\$ 1,049.7</u>

During the year ended December 31, 2024, the Company paid down \$70.2, on its senior secured term loan A due 2028 (“term loan A”) and \$412.5, on its senior secured term loan B due 2030 (“term loan B”). Additionally, in the second quarter of 2024, the Company wrote off \$12.2 of unamortized debt issuance costs associated with the pay down of debt, which were recorded in interest expense in the consolidated and combined statements of operations for the year ended December 31, 2024.

Senior Notes

On June 27, 2023, the Company issued \$570.0 aggregate principal amount of 7.50% senior notes due 2030 (the “Notes”). Interest on these notes is payable semi-annually on January 1 and July 1 of each year. Net proceeds from the offering of the Notes were \$560.2 after deducting expenses of the offering.

The bond indenture for the Notes contains an asset sale covenant that effectively requires the Company to utilize a prorated portion of the Net Cash Proceeds from an Asset Sale, each as defined in the indenture, to retire Notes at par. As a result of Fortrea’s sale of assets relating to its Enabling Services Segment, the Company repurchased \$75.7 of the Notes in accordance with the terms of the indenture in the fourth quarter of 2025.

Credit Facilities

On June 30, 2023, Fortrea entered into a credit agreement (as amended, the “Credit Agreement”) providing for (i) a senior secured revolving credit facility in the principal amount of up to \$450.0; (ii) a five-year \$500.0 first lien senior secured term A loan facility; and (iii) a seven-year \$570.0 first lien senior secured term B loan facility. The initial revolving facility includes a \$75.0 swingline sub-facility and a \$75.0 letter of credit sub-facility.

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The Company drew on the term loan A and term loan B on June 30, 2023. The net proceeds received for the term A and term B loans were \$491.8 and \$552.9, respectively after deducting underwriting discounts and other expenses. The term A and term B loans will mature on June 30, 2028 and June 30, 2030, respectively. The term loans accrue interest at a per annum rate equal to the sum of, at the option of the Company, a Base Rate or a Term SOFR Rate and the Applicable Margin as defined by the Credit Agreement. As of December 31, 2025, the effective interest rate on the term loan A and term loan B was 5.72% and 7.47%, respectively.

The revolving credit facility is permitted, subject to certain covenant restrictions, to be used for general corporate purposes, including working capital and capital expenditures. There were no balances outstanding on the Company's revolving credit facility and there were \$2.3 in letters of credit issued under the letter of credit sublimit, resulting in \$447.7 available for borrowing as of December 31, 2025. No balances were outstanding as of December 31, 2024. As of December 31, 2025, the effective interest rate on the revolving credit facility was 5.72%, assuming a one-month interest election. There is an annual agency fee associated with the Credit Agreement (\$0.1 paid in quarterly installments) and a variable commitment fee associated with the revolving credit facility based on the Company's Total Leverage Ratio as defined under the Credit Agreement. As of December 31, 2025, the commitment fee was 0.30% (per annum and paid quarterly). The credit facility matures on June 30, 2028.

Under the Credit Agreement, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for similarly rated borrowers, and the Company is required to maintain certain net leverage and interest coverage ratios. The Company is permitted to make adjustments, such as excluding certain costs, from the calculation of leverage and interest coverage ratios for compliance purposes. On February 28, 2025, the Company entered into an amendment to modify certain financial covenants for additional flexibility under the Credit Agreement. The Company was in compliance with all covenants in the Credit Agreement at December 31, 2025 and believes it will be in compliance with all covenants for a period of at least 12 months from the date these financial statements are issued.

The scheduled payments of long-term debt at the end of 2025 are summarized as follows:

2026	\$	4.8
2027		25.0
2028		387.5
2029		—
2030		649.0
Thereafter		—
Total scheduled principal payments		1,066.3
Less debt issuance costs		(13.5)
Less current portion		(4.8)
Long-term debt, due beyond one year	\$	<u>1,048.0</u>

Fair Value Disclosures for Financial Instruments Not Carried at Fair Value

The estimated fair values of term loans A and B and the Notes are determined based on the price that the Company would have had to pay to settle the liabilities. As these liabilities are not actively traded, they are classified as Level 2 fair value measurements. The estimated fair values of the Company's term loans and the Notes were as follows:

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	December 31, 2025		December 31, 2024	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
7.5% senior notes due 2030	\$ 494.3	\$ 503.5	\$ 570.0	\$ 569.3
Senior secured term loan A due 2028	417.3	402.7	417.3	425.3
Senior secured term loan B due 2030	154.7	149.7	154.7	153.3

12. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Summary of Derivative Instruments

The Company addresses its exposure to market risks, principally the market risk associated with changes in interest rates and foreign currency exchange rates, through a program of risk management that includes, from time to time, the use of derivative instruments such as foreign currency forward contracts and interest rate swap agreements. The Company does not hold or issue derivative instruments for trading purposes. The derivative instrument contracts are with major investment grade financial institutions and the Company does not anticipate any material non-performance by any of the counterparties. The Company does not believe that its exposure to market risk is material to the Company's financial position or results of operations.

Interest rate swap agreements, which are used by the Company from time to time in the management of interest rate exposure, are accounted for at fair value. These derivative instruments are accounted for as cash flow hedges and recognized as assets and liabilities, as applicable, and classified as current or noncurrent based on the swap's settlement dates. The derivative instruments have been assessed and are considered to be perfectly effective hedges and accordingly, changes in the fair value of the interest rate swaps are initially recorded in the consolidated and combined statements of comprehensive income (loss). Cash flows from the interest rate swaps are included in operating activities.

Foreign currency forward contracts, which are used by the Company to hedge the Company's foreign currency exposure, are accounted for at fair value. As these contracts are short-term in nature and are not designated hedging instruments, changes in the fair value of the Company's foreign currency forward contracts are recognized directly in earnings. Cash flows from the foreign currency forward contracts are included in operating activities.

The fair value of the Company's interest rate swaps and foreign currency forward contracts are determined based on observable market inputs (Level 2). The table below presents the fair value of the Company's derivatives on a gross basis and the balance sheet classification of those instruments:

	Balance Sheet Classification	December 31, 2025		December 31, 2024	
		Asset	Liability	Asset	Liability
Derivatives designated as hedging instruments:					
Interest rate swaps	Accrued expenses and other	\$ —	\$ (1.2)	\$ 0.1	\$ (0.2)
	Other liabilities	—	—	—	(0.4)
Derivatives not designated as hedging instruments:					
Foreign currency forward contracts	Prepaid expenses and other	\$ 0.3	\$ —	\$ —	\$ —
	Other current liabilities	—	(0.6)	—	(1.2)

Derivative Contracts Designated as Hedges

Interest Rate Swaps

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In August 2023, the Company entered into two variable-to-fixed interest rate swap agreements for its senior secured term loan A facilities to hedge the cash flow variability associated with the Company's floating interest rate exposure. The interest rate swaps, both of which mature on December 31, 2026, had an aggregate notional amount of \$150.0 and a fixed interest rate of 4.20% as of December 31, 2025 and 2024, and each return variable interest rates based on one-month SOFR. Because these derivative instruments meet the criteria for hedge accounting, all related gains and losses are accumulated within other comprehensive income and are being reclassified to earnings as interest expense is recognized in the consolidated and combined statements of operations.

The following table presents the pre-tax effects of cash flow hedges included in the Company's consolidated and combined statements of comprehensive income (loss):

	Pre-Tax Gain (Loss) Included in Other Comprehensive Income					
	Years Ended December 31,					
	2025		2024		2023	
Interest rate swaps	\$	(0.6)	\$	2.9	\$	(1.5)

The following table presents amounts reclassified out of accumulated other comprehensive loss and recognized in the consolidated and combined statements of operations:

	Statement of Operations Classification	Amounts Reclassified from Other Comprehensive Loss into Earnings					
		Years Ended December 31,					
		2025		2024		2023	
Interest rate swaps	Interest expense	\$	(0.1)	\$	(1.5)	\$	(0.4)

The estimated amount of pre-tax net losses included in other comprehensive loss that is expected to be reclassified into earnings over the twelve months following December 31, 2025, is \$1.2.

Refer to Note 17, "Preferred Stock and Common Shareholders' Equity" for the impact of the Company's derivative instruments included in accumulated other comprehensive loss.

Derivative Contracts Not Designated as Hedges

Foreign Currency Forward Contracts

The Company utilizes foreign currency forward contracts to hedge the Company's exposure to foreign currencies with exposure predominantly to the Euro and British Pound. These contracts do not qualify for hedge accounting and are recognized as assets or liabilities at their fair value with changes in fair value recorded directly to earnings. The contracts are short-term in nature and the fair value of these contracts is based on market prices for comparable contracts. The aggregate notional value of these contracts was \$305.7 and \$468.6 at December 31, 2025 and 2024, respectively.

The following table presents a summary of the loss for derivative contracts not designated as hedges included in the Company's consolidated and combined statements of operations:

	Statement of Operations Classification	Gain (Loss) on Derivatives Recognized in Earnings					
		Years Ended December 31,					
		2025		2024		2023	
Foreign currency Forward contracts	Foreign exchange gain (loss)	\$	0.9	\$	(2.0)	\$	(0.8)

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13. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The components of accrued expenses and other current liabilities are as follows:

	December 31, 2025	December 31, 2024
Employee compensation and benefits	\$ 140.7	\$ 90.6
Accrued pass through expenses	126.5	140.5
Accrued taxes	59.0	52.7
Accrued restructuring	23.4	23.7
Accrued interest	18.0	23.3
Other	28.2	39.0
	<u>\$ 395.8</u>	<u>\$ 369.8</u>

14. INCOME TAXES

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

	Years Ended December 31,		
	2025	2024	2023
Domestic	\$ (641.1)	\$ (390.3)	\$ (141.4)
Foreign	(341.9)	115.3	110.9
Total pre-tax loss	<u>\$ (983.0)</u>	<u>\$ (275.0)</u>	<u>\$ (30.5)</u>

Income tax expense (benefit) in the accompanying consolidated and combined statements of operations consist of the following:

	Years Ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ 3.7	\$ (2.3)	\$ 16.5
State	1.0	0.2	(0.1)
Foreign	29.1	37.7	23.9
	<u>\$ 33.8</u>	<u>\$ 35.6</u>	<u>\$ 40.3</u>
Deferred:			
Federal	\$ (8.7)	\$ (26.1)	\$ (37.4)
State	(6.3)	—	(3.5)
Foreign	(15.6)	(13.0)	1.8
	<u>(30.6)</u>	<u>(39.1)</u>	<u>(39.1)</u>
Income tax expense (benefit)	<u>\$ 3.2</u>	<u>\$ (3.5)</u>	<u>\$ 1.2</u>

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Upon adoption of ASU 2023-09, Improvements to Income Tax Disclosures, cash paid for income taxes, net of refunds, by jurisdiction are as follows:

	Years Ended December 31,		
	2025	2024	2023
U.S. Federal	\$ —	\$ 29.0	\$ —
U.S. State			
California	(1.3)	—	—
Other	1.2	7.1	—
Foreign			
Australia	—	—	1.3
Belgium	—	—	1.3
Brazil	1.6	—	1.5
Canada	—	—	1.9
China	—	4.0	3.5
Germany	3.1	—	2.0
India	7.0	4.1	3.6
Ireland	1.0	—	—
Italy	1.0	—	—
Spain	(1.6)	—	(1.2)
Other	4.9	9.5	4.1
	<u>\$ 16.9</u>	<u>\$ 53.7</u>	<u>\$ 18.0</u>

Upon adoption of ASU 2023-09, Improvements to Income Tax Disclosures, the reconciliation of taxes at the federal statutory rate to our provision for (benefit from) income taxes for the year ended December 31, 2025 was as follows:

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	Year Ended December 31, 2025	
	Amount	ETR%
Statutory U.S. rate	\$ (206.4)	21.0%
Effect of cross-border tax laws	—	—
Tax credits	(1.2)	0.1
Nontaxable or nondeductible items		
Goodwill impairment	84.0	(8.6)
Other	14.1	(1.4)
Valuation allowance	17.8	(1.8)
Other	14.9	(1.5)
State and local income taxes, net of U.S. Federal income tax effect	(5.4)	0.6
Foreign tax effects		
United Kingdom		
Goodwill impairment	52.6	(5.4)
Other	(4.0)	0.4
Other foreign jurisdictions	36.6	(3.7)
Worldwide changes in unrecognized tax benefits	0.2	—
Grand Total	<u>\$ 3.2</u>	<u>(0.3)%</u>

The majority of the tax effect of state and local income taxes, net of U.S. federal income taxes results from activity in California, Massachusetts, and New Jersey.

The reconciliation of taxes at the federal statutory rate to our provision for (benefit from) income taxes for the years ended December 31, 2024 and 2023 in accordance with the guidance prior to the adoption of ASU 2023-09 was as follows:

	Years Ended December 31,	
	2024	2023
Statutory U.S. rate	21.0%	21.0%
State and local income taxes, net of U.S. Federal income tax effect	5.0	12.1
Foreign earnings taxed at rates different than the statutory U.S. rate	(1.2)	(12.6)
Permanent non-deductible items	(0.1)	(1.2)
Changes in valuation allowance	(18.7)	0.2
Employee benefits	(2.2)	(5.4)
Changes in enacted tax rates	—	—
Net tax on U.S. international income inclusions	(1.2)	(7.1)
Change in uncertain tax positions	—	(1.0)
R&D credit	0.8	8.6
Withholding tax	(1.1)	(4.9)
BEAT	—	(13.3)
Adjustment to previously capitalized expenses	(2.2)	—
Other	1.2	(0.2)
Effective rate	<u>1.3%</u>	<u>(3.8)%</u>

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

	December 31, 2025	December 31, 2024
Deferred tax assets:		
Employee compensation and benefits	\$ 13.7	\$ 10.4
Operating lease liability	4.1	5.6
Acquisition and restructuring reserves	9.4	8.4
Interest expense carryforward	62.9	42.9
Capitalized R&D costs	11.9	22.7
Loss and credit carryforwards, net	17.2	7.3
Other	5.9	—
Total gross deferred tax assets	125.1	97.3
Less: valuation allowance	(46.8)	(28.5)
Deferred tax assets, net of valuation allowance	\$ 78.3	\$ 68.8
Deferred tax liabilities:		
Right-of-use asset	\$ (2.6)	\$ (4.1)
Revenue recognition	(5.3)	(8.6)
Intangible assets	(148.5)	(155.1)
Outside basis difference in foreign subsidiaries	(10.2)	(3.1)
Property, plant and equipment	(3.1)	(5.9)
Other accruals	—	(8.5)
Total gross deferred tax liabilities	(169.7)	(185.3)
Net deferred tax liabilities	\$ (91.4)	\$ (116.5)

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets (“DTAs”). We have determined that the reversal of future taxable temporary differences corresponding to our deferred tax liabilities (“DTLs”) will not provide a sufficient source of income for realization of all our DTAs. Based on this evaluation, as of December 31, 2025, a valuation allowance of \$43.2 has been recorded against the DTA related to Sec. 163(j) interest expense carryforward DTA. The Company will continue to monitor this situation and record a valuation allowance for the portion of its DTAs that are not expected to be realized based on the available sources of income.

The Company has U.S. Federal Net Operating Loss (“NOL”) carryforwards of \$16.9 and a gross State NOL carryforward of \$217.3 with \$118.4 expiring between 2034 and 2045 and \$98.9 having an indefinite carryforward. As of December 31, 2025, the Company has recorded a full valuation allowance of \$3.6 against the DTA for these state NOLs. The Company has pre-tax foreign net operating losses of \$31.2, all of which are expected to be fully realized as they either expire between 2030 and 2045 or carryforward indefinitely.

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The following table shows a reconciliation of the unrecognized income tax benefits, excluding interest and penalties, from uncertain tax positions as of December 31, 2025, 2024 and 2023:

	2025	2024	2023
Balance as of January 1	\$ 0.4	\$ 0.3	\$ 1.4
Decreases related to positions taken on prior year items	(0.1)	(0.1)	(1.4)
Increases related to positions taken on current year items	0.2	0.2	0.3
Balance as of December 31	<u>\$ 0.5</u>	<u>\$ 0.4</u>	<u>\$ 0.3</u>

It is anticipated that there will be no significant changes to the unrecognized income tax benefits within the next 12 months and therefore no significant impact on the financial position, results of operations or cash flows of the Company is expected.

The Company recognizes interest and penalties related to unrecognized income tax benefits in income tax expense. Accrued interest and penalties related to uncertain tax positions are immaterial to the financial statements for December 31, 2025, 2024 and 2023, respectively. During the years ended December 31, 2025, 2024 and 2023 the Company did not recognize any interest and penalties expense.

As of December 31, 2025, 2024 and 2023, there are \$0.5, \$0.4 and \$0.3, respectively, of tax benefits, including interest and penalties, that, if recognized would favorably affect the effective income tax rate. The operations of the Company are subject to income tax examination by taxing authorities in the jurisdictions where Labcorp filed income tax returns previously and jurisdictions where the Company will continue to file tax returns going forward. The Company has substantially concluded all U.S. federal income tax matters for years through 2018, while it filed as part of the Labcorp consolidated group, and it is currently under IRS examination for tax years 2019 to 2022. The Company has filed its U.S. federal tax return for 2023 and 2024 as a separate taxpayer and therefore those are the only years open to examination. The Company has substantially concluded all material state and local and separate foreign income tax matters through 2017. The Company has filed its own state and most foreign tax returns for 2023 and 2024 and is subject to examination for those years in all respective jurisdictions.

The Company has recognized a deferred tax liability for withholding taxes associated with certain intercompany notes related to the Separation. The Company has also cumulatively accrued applicable withholding taxes of \$10.6 on the portion of foreign earnings that are not permanently reinvested in our foreign subsidiaries, which mostly represents 2024 and 2025 earnings.

15. STOCK COMPENSATION PLANS

Stock Incentive Plans

Prior to the Separation, certain Company employees were covered by the Former Parent-sponsored stock compensation arrangements. The stock compensation expense for the periods prior to the Separation has been derived from the equity awards granted by Labcorp to the Company's employees who are specifically identified in the plans, as well as an allocation of expense related to corporate employees of Labcorp. The Former Parent-sponsored stock compensation arrangements are approved under the Laboratory Corporation of America Holdings 2016 Omnibus Incentive Plan (the "Labcorp Plan").

In June of 2023, Fortrea's pre-Spin Board of Directors approved Fortrea's Omnibus Incentive Plan and Employee Stock Purchase Plan (the "Plans") and the post-Spin Board of Directors of Fortrea ratified the Plans by a unanimous written consent dated July 3, 2023. Under the Plans, the Company may grant incentive stock options, restricted stock units, and performance shares, as well as other forms of stock-based compensation to the Company's employees, officers, and non-employee directors. During 2025, Fortrea's Board of Directors approved the 2025 Inducement Award Plan (the "Inducement Plan"). The Inducement Plan provides for, among other things, the grant of awards of options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards, and cash bonus awards to eligible grantees as a material inducement to such grantees commencing employment with Fortrea or its affiliates.

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On July 18, 2023, all Labcorp equity incentive awards held by Fortrea employees that were outstanding on the distribution date were converted to 2.5 shares of Fortrea restricted stock units and 0.1 shares of Fortrea performance shares. Additionally, during the remainder of 2023 and in 2024, the Company granted awards under the Plans, as indicated below.

As of December 31, 2025, there are 17.5 shares authorized for issuance and 7.9 shares available for grant under Fortrea’s Omnibus Incentive Plan, 1.8 shares authorized for issuance and available for grant under the Employee Stock Purchase Plan, and 5.0 shares authorized for issuance and 2.2 shares available for grant under the Inducement Plan.

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

Stock Options

The following table summarizes grants of non-qualified options made by the Company to officers, key employees, or non-employee directors under all plans. Stock options are generally granted at an exercise price equal to or greater than the fair market price per share on the date of grant. Options vest ratably over a period of 3 years on the anniversaries of the grant date and have a contractual exercise period of 10 years subject to their earlier expiration or termination. No stock options were issued in 2025 or 2024.

	Number of Options	Weighted-Average Exercise Price per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2024	0.8	\$ 26.52		
Granted	—	—		
Exercised	—	—		
Cancelled	(0.8)	26.52		
Outstanding at December 31, 2025	—	\$ —	—	\$ —
Exercisable at December 31, 2025	—	\$ —	—	\$ —

Restricted Stock Units and Performance Shares

The Company grants RSUs to officers, key employees, and non-employee directors. RSUs typically vest annually in equal one-third increments beginning on the first anniversary of the grant.

The Company grants performance shares to officers and key employees. Performance share awards are subject to a 3-year cliff vesting period in addition to certain revenue and adjusted EBITDA targets and a total stockholder return multiplier, the achievement of which may increase or decrease the number of shares which the grantee earns and therefore receives upon vesting. Unearned RSU and performance share compensation is amortized to expense, when probable, over the applicable vesting periods.

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The following table shows a summary of RSU and performance share award activity for the year ended December 31, 2025:

	Number of Shares		Weighted-Average Grant Date Fair Value	
	Restricted Stock Units	Performance Shares	Restricted Stock Units	Performance Shares
Outstanding at December 31, 2024	3.2	0.1	\$ 29.10	\$ 41.55
Granted	7.5	1.8	9.83	6.56
Vested	(3.4)	—	23.59	—
Forfeited	(0.8)	—	16.38	—
Outstanding at December 31, 2025	<u>6.5</u>	<u>1.9</u>	\$ 13.16	\$ 9.20

As of December 31, 2025, there was \$55.5 of total unrecognized compensation cost related to non-vested restricted stock, restricted stock unit and performance share-based compensation arrangements granted under the Plans. That cost is expected to be recognized over a weighted average period of 1.3 and will be included in direct costs and selling, general and administrative expenses.

All Stock Awards

Total stock-based compensation expense and the associated income tax benefits recognized by the Company in the consolidated and combined statements of operations was as follows:

	Years Ended December 31,		
	2025	2024	2023
Direct costs	\$ 57.2	\$ 43.8	\$ 24.4
Selling, general and administrative	17.2	13.4	15.9
Stock compensation expense	<u>\$ 74.4</u>	<u>\$ 57.2</u>	<u>\$ 40.3</u>
Income tax benefits	\$ 11.0	\$ 9.1	\$ 7.1

Of the total stock-based compensation expense recognized by the Company for the year ended December 31, 2023, \$37.8 related directly to Company employees and \$2.5 related to allocations of Labcorp's corporate and shared employee stock compensation expense.

16. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved from time to time in various claims and legal actions arising in the ordinary course of business. These matters may include commercial and contract disputes, employee-related matters, and professional liability claims. In accordance with FASB ASC 450, *Contingencies*, the Company establishes reserves for claims and legal actions when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, the Company does not establish reserves. The outcomes of such proceedings are inherently unpredictable and subject to significant uncertainties. When the Company determines that it has a meritorious defense to any claims asserted, the Company defends itself vigorously; however the Company also considers and enters into discussions regarding settlement of disputes, and may enter into settlement agreements, if in management's judgment, it is in the best interest of the Company to do so. For the years ended December 31, 2025, 2024 and 2023, the Company recorded legal expenses of \$1.9, \$2.2 and \$—, respectively, related to the settlement of legal matters initiated prior to the spin. The Company does not believe that any liabilities resulting from claims and legal actions will have a material effect on its financial condition, results of operations or cash flows.

On June 2, 2025, a purported shareholder class action complaint captioned *Lucas Deslande v. Fortrea Holdings Inc., et al.*, No 1:25-sv-04630 was filed in the U.S. District Court for the Southern District of New York, naming the

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Company and certain of its current and former officers as defendants. The complaint alleges that defendants made omissions and misrepresentations to investors that they claim violated certain securities laws. The Construction Industry Laborers Pension Fund and City of Pontiac Reestablished General Employees Retirement System were appointed as lead plaintiffs on September 3, 2025, and the lead plaintiffs filed an amended complaint on November 10, 2025. The Company filed a motion to dismiss the amended complaint on January 28, 2026. The Company believes it has valid defenses to the claims alleged and intends to vigorously defend itself, but there is no guarantee that the Company will prevail. The case is at a very early stage and the Company is unable to estimate the possible loss or range of loss, if any, associated with this action.

It was previously disclosed that there was an issue in a customer's trial caused by a third-party vendor not affiliated with the Company. As part of working with this customer, the Company made concessions and provided discounts and other consideration to the customer in the amount of \$12.5 as part of a multi-party solution to facilitate the trials, of which \$3.8 million and \$8.7 million was recorded as a reduction of revenue for the years ended December 31, 2024 and 2023, respectively. There were no related reductions of revenue during the year ended December 31, 2025, as the agreed-upon amount had been satisfied.

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

Fortrea obtains insurance coverage for certain catastrophic exposures as well as those risks required to be insured by law or contract. The Company is covered by those policies but is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers' compensation. The self-insured retentions are on a per-occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregated liability of claims incurred.

17. PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY

The Company is authorized to issue up to 265.0 shares of common stock, par value \$0.001 per share. The Company is authorized to issue up to 30.0 shares of preferred stock, par value \$0.001 per share. There were no preferred shares outstanding as of December 31, 2025 and December 31, 2024.

Stockholder Rights Plan

On June 11, 2025, the Company's Board of Directors adopted a limited duration stockholder rights plan (the "Rights Agreement"). Pursuant to the Rights Agreement, on June 11, 2025, the Company's Board of Directors declared a dividend of one preferred share purchase right (a "Right") for each share of common stock, par value \$0.001 per share, of the Company (the "Common Shares") outstanding on June 23, 2025 to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one one thousandth of a share of Series A Preferred Stock, par value \$0.001 per share, of the Company (the "Preferred Shares") at a price of \$50.00 per one one thousandth of a Preferred Share represented by a Right, subject to adjustment.

Initially, the Rights will be attached to all Common Share certificates and no separate certificates evidencing the Rights will be issued. Until the Distribution Date (as defined per the Rights Agreement), the Rights will be transferred with and only with the Common Shares. As long as the Rights are attached to the Common Shares, the Company will issue one Right with each new Common Share so that all such Common Shares will have Rights attached.

The Rights are generally exercisable only in the event that a person or group of affiliated or associated persons (such person or group being an "Acquiring Person"), acquires (or commences a tender offer or exchange offer the consummation of which would result in) beneficial ownership of 10% or more of the outstanding Common Shares.

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In such case (with certain limited exceptions), each holder of a Right (other than the Acquiring Person, whose Rights shall become void) will have the right to receive, upon exercise at the then current exercise price of the Right, Common Shares (or, if the Board so elects, cash, securities, or other property) having a value equal to two times the exercise price of the Right.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends. The Rights will expire at the close of business on June 10, 2026.

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Unrealized Gain (Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at December 31, 2023	\$ (206.7)	\$ (7.4)	\$ (1.4)	\$ (215.5)
Current year foreign exchange adjustments	(69.3)	—	—	(69.3)
Current year benefit plan adjustments	—	1.1	—	1.1
Unrealized gain on derivative instruments	—	—	2.9	2.9
Amounts reclassified from accumulated other comprehensive loss	—	—	(1.5)	(1.5)
Tax effect of adjustments	—	(0.2)	(0.4)	(0.6)
Balance at December 31, 2024	<u>(276.0)</u>	<u>(6.5)</u>	<u>(0.4)</u>	<u>(282.9)</u>
Current year foreign exchange adjustments	112.2	—	—	112.2
Current year benefit plan adjustments	—	1.7	—	1.7
Unrealized loss on derivative instruments	—	—	(0.6)	(0.6)
Amounts reclassified from accumulated other comprehensive loss	—	—	(0.1)	(0.1)
Tax effect of adjustments	—	(0.5)	0.2	(0.3)
Balance at December 31, 2025	<u>\$ (163.8)</u>	<u>\$ (5.3)</u>	<u>\$ (0.9)</u>	<u>\$ (170.0)</u>

18. PENSION AND POSTRETIREMENT PLANS

Defined Contribution Retirement Plans

The Company has a U.S. defined contribution retirement plan (the “401K Plan”). Under the 401K Plan, employees can contribute a portion of their eligible earnings to the Plan and the Company makes matching contributions, depending on the terms of the plan. The 401K Plan includes an automatic enrollment at 1% which the employee can change or opt out of. On January 1, 2025, the 401K Plan was modified to provide for 100% employer match of employee contributions of 3% and 50% on the next 2% of eligible earnings. In addition to the U.S. 401K plans, there are other defined contribution plans outside of the U.S., primarily in the UK, EU and Asia-Pacific regions. Total expense for all defined contribution plans for the years ended December 31, 2025, 2024 and 2023 was \$47.7, \$51.4 and \$53.0 respectively.

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Defined Benefit Pension Plans

Company employees participate in a funded defined benefit pension plan in the United Kingdom (the “UK Plan”). The UK Plan provides benefits based on various criteria such as years of service and salary, and is closed to new entrants and the accrual of service credits is as of December 31, 2020.

Net Periodic Benefit Costs

The components of the net periodic benefit costs for the defined benefit pension plans are as follows:

	Years Ended December 31,		
	2025	2024	2023
Service cost for benefits earned	\$ 0.2	\$ 0.2	\$ 0.2
Interest cost on benefit obligation	1.8	1.7	1.6
Expected return on plan assets	(1.9)	(1.8)	(1.7)
Net amortization and deferral	0.2	0.2	0.2
Defined-benefit plan costs	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 0.3</u>

Service costs are the only component of net periodic benefit costs recorded within operating income.

The amounts recognized in accumulated other comprehensive loss are as follows:

	Years Ended December 31,		
	2025	2024	2023
Net actuarial gain (loss) in accumulated other comprehensive loss	\$ 1.2	\$ 0.9	\$ (1.0)

Change in Projected Benefit Obligation

The change in the accumulated benefit obligation as of December 31, 2025 and December 31, 2024, is as follows:

	2025	2024
Balance at beginning of the year	\$ 31.8	\$ 37.6
Service cost	0.2	0.2
Interest cost	1.8	1.7
Actuarial gain	(1.0)	(6.2)
Benefits and administrative expenses paid	(2.0)	(1.0)
Foreign currency exchange rate changes	2.4	(0.5)
Balance at end of the year	<u>\$ 33.2</u>	<u>\$ 31.8</u>

FORTREA HOLDINGS INC
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
(in millions, except per share data)

Change in Fair Value of Plan Assets

The change in plan assets as of December 31, 2025 and December 31, 2024, is as follows:

	2025	2024
Balances at beginning of the year	\$ 32.9	\$ 36.4
Business contributions	1.8	2.0
Actual return on plan assets	0.9	(3.9)
Benefits and administrative expenses paid	(2.0)	(1.0)
Foreign currency exchange rate changes	2.4	(0.6)
Fair value of plan assets at end of year	<u>\$ 36.0</u>	<u>\$ 32.9</u>

Change in Funded Status and Reconciliation of Amounts Recorded in the Balance Sheet

The change in the funded status of the plan and a reconciliation of such funded status to the amounts reported in the balance sheet as of December 31, 2025 and December 31, 2024, is as follows:

	2025	2024
<i>Funded status</i>	\$ 2.8	\$ 1.1
Recorded as:		
Other assets	\$ 2.8	\$ 1.1
Other liabilities	—	—

Assumptions

Weighted average assumptions used to determine net periodic benefit costs are as follows:

	Years Ended December 31,		
	2025	2024	2023
Discount rate	5.5%	4.5%	4.9%
Salary increases	N/A	N/A	N/A
Expected long term rate of return	5.8%	4.8%	5.5%
Cash balance interest credit rate	N/A	N/A	N/A

A one percentage point decrease or increase in the discount rate would have resulted in no respective increase or decrease in 2025 retirement plan expense.

Weighted average assumptions used to determine net periodic benefit obligations are as follows:

	Years Ended December 31,	
	2025	2024
Discount rate	5.6%	5.5%
Salary increases	N/A	N/A

The discount rate is determined using the weighted-average yields on high-quality fixed income securities that have maturities consistent with the timing of benefit payments. Lower discount rates increase the size of the benefit obligation and generally increase pension expense in the following year; higher discount rates reduce the size of the benefit obligation and generally reduce subsequent-year pension expense.

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The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the pension obligations. To determine this rate, the Company considers the composition of plan investments, historical returns earned, and expectations about the future. Actual asset over or under performance compared to expected returns will respectively decrease or increase unrecognized loss. The change in the unrecognized loss will change amortization cost in upcoming periods. A one percentage point increase or decrease in the expected return on plan assets would have resulted in a corresponding change in pension expense of \$0.3 in 2025.

The Company evaluates other assumptions periodically, such as retirement age, mortality and turnover, and updates them as necessary to reflect the Company's actual experience and expectations for the future. Differences between actual results and assumptions utilized are recorded in accumulated other comprehensive loss each period. These differences are amortized into earnings over the remaining average future service of active participating employees or the expected life of inactive participants, as applicable.

Plan Assets

The fair values of the assets at December 31, 2025 by asset category are as follows:

Asset Category	Level of Valuation Input	Fair Value	Investments valued using NAV per share	Total 2025
Cash and cash equivalents	Level 1	\$ —	\$ —	\$ —
Annuities	Level 3	9.6	—	9.6
Pooled investment funds		—	26.4	26.4
Total fair value		\$ 9.6	\$ 26.4	\$ 36.0

The fair values of the assets at December 31, 2024, by asset category is as follows:

Asset Category	Level of Valuation Input	Fair Value	Investments valued using NAV per share	Total 2024
Cash and cash equivalents	Level 1	\$ 0.9	\$ —	\$ 0.9
Annuities	Level 3	9.1	—	9.1
Pooled investment funds		—	22.9	22.9
Total fair value		\$ 10.0	\$ 22.9	\$ 32.9

The fair market value of index funds and pooled investment funds are valued using the net asset value (NAV) unit price provided by the fund administrator. The NAV is based on the value of the underlying assets owned by the fund. The fair value of annuity investments is based on discounted cash flow techniques using unobservable valuation inputs such as discount rates and actuarial mortality tables.

Fair Value Measurement of Level 3 Pension Assets

	Annuities
Balance at December 31, 2023	\$ 10.7
Actual return on plan assets	(1.6)
Balance at December 31, 2024	\$ 9.1
Actual return on plan assets	0.5
Balance at December 31, 2025	\$ 9.6

Investment Policies

Plan fiduciaries of various plans set investment policies and strategies, based on consultation with professional advisors, and oversee investment allocation, which includes selecting investment managers and setting long-term strategic targets. The primary strategic investment objectives are balancing investment risk and return and

FORTREA HOLDINGS INC
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monitoring the plan's liquidity position in order to meet the near-term benefit payment and other cash needs. Target allocation percentages are established at an asset class level by plan fiduciaries. Target allocation ranges are guidelines, not limitations, and occasionally plan fiduciaries will approve allocations above or below a target range.

The weighted average asset allocation of the plan assets by asset category is as follows:

	<u>December 31, 2025</u>
Equity securities	3.7%
Debt securities	69.6%
Annuities	26.6%
Real estate	—%
Other	0.1%

The weighted average target asset allocation of the plan assets is as follows:

	<u>December 31, 2025</u>			
Equity securities	—%	to	10.0%	
Debt securities	65.0%	to	75.0%	
Annuities	25.0%	to	35.0%	
Real estate	—%	to	10.0%	
Other	—%	to	5.0%	

Pension Funding and Cash Flows

The Company expects to make approximately \$2.2 in required contributions to its defined benefit pension plans during 2026. The Company targets funding the minimum required contributions but may make additional contributions into the pension plans in 2026, depending upon factors such as how the funded status of those plans change or to reduce the administrative costs of the plan.

The estimated benefit payments, which were used in the calculation of projected benefit obligations, are expected to be paid as follows:

2026	\$	1.4
2027		1.8
2028		1.7
2029		1.7
2030		1.9
Years 2031 to 2034	\$	10.8

19. TRANSACTIONS WITH FORMER PARENT

Prior to the Separation on June 30, 2023, the consolidated and combined financial statements were prepared on a standalone basis and were derived from the consolidated financial statements and accounting records of Labcorp. The following discussion summarizes activity between the Company and Labcorp. This activity, which occurred prior to the Separation, is included in the combined financial statements in 2023.

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Allocation of General Corporate and Other Expenses

Prior to the Separation, the Company's combined statements of operations included expenses for certain centralized functions and other programs provided and administered by Labcorp that were charged directly to the Company. In addition, for purposes of preparing these combined financial statements on a carve-out basis, a portion of Labcorp's total corporate expenses were allocated to the Company. See Note 2, "Summary of Significant Accounting Policies" for a discussion of the methodology used to allocate corporate-related costs for purposes of preparing these financial statements on a carve-out basis. Some of these services continue to be provided by Labcorp to the Company on a temporary basis under the Transition Services Agreement with Labcorp.

The following table is a summary of corporate and other allocations:

	Years Ended December 31, 2023
Direct costs	\$ 86.6
Selling, general and administrative expenses	105.0
Restructuring and other charges	0.2
Foreign exchange gain (loss)	2.2
Total corporate and other allocations	<u>\$ 194.0</u>

Included in the aforementioned amounts are \$147.6 related to costs for certain centralized functions and programs provided and administered by Labcorp that were charged directly to the Company for the year ended December 31, 2023. In addition, a portion of Labcorp's total corporate expenses were allocated to the Company for services from Labcorp. These costs were \$46.4 for the year ended December 31, 2023. The allocations of foreign exchange gain (loss) represent the allocation of the results of hedging activities performed by Labcorp on behalf of the Company prior to the Separation.

The Company had arrangements with third parties where the services are subcontracted to Labcorp (and its affiliates that were not part of the transaction). The Company's direct costs include services purchased from Labcorp for commercial contracts totaling \$48.8 in 2023.

Hedging Activities

Prior to the Separation, the Company did not enter into any derivative contracts with external counterparties. However, Labcorp entered into foreign currency forward contracts with external counterparties to hedge certain foreign currency transactions with exposure predominantly to the Euro and British Pound. These contracts did not qualify for hedge accounting and the changes in fair value are recorded directly to earnings. Earnings related to these contracts were included in the combined statements of operations as part of corporate allocations. Refer to Note 12, "Derivative Instruments and Hedging Activities" for information regarding derivative contracts entered into after Separation.

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Net Transfers To and From Labcorp

Net transfers to and from Labcorp are included within Former Parent company investment on the consolidated and combined statements of changes in equity. The components of the transfers to and from Labcorp were as follows:

	Years Ended December 31, 2023
Special Payment to Former Parent	\$ (1,595.0)
General financing activities	(286.8)
Corporate allocations	184.9
Stock compensation expense	10.2
Total net transfers (to) from Former Parent	\$ (1,686.7)

20. SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,		
	2025	2024	2023
Supplemental schedule of cash flow information:			
Cash paid during period for:			
Interest	\$ 91.2	\$ 109.6	\$ 45.1
Income taxes, net of refunds	16.9	53.7	18.0
Disclosure of non-cash investing activities:			
Change in accrued property, plant and equipment	0.6	(0.5)	(1.3)
Fair value of contingent consideration related to the sale of assets	—	39.6	—
Disclosure of non-cash transfers to (from) Former Parent:			
Change in right-of-use lease assets	—	—	13.9
Change in property, plant and equipment net	—	—	(27.7)

21. BUSINESS SEGMENT INFORMATION

The following table is a summary of segment information for the years ended December 31, 2025, 2024 and 2023. The segment information is based upon the way the management of the Company organizes segments within an enterprise for making operating decisions and assessing performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker (“CODM”) for evaluating segment performance and deciding how to allocate resources to segments. The Fortrea Chief Executive Officer has been identified as the CODM.

The CODM allocates resources and assesses performance based on the underlying businesses which determines the Company's operating segments. When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics. Subsequent to the sale of the Enabling Services Segment in 2024, the Company reports its business in one reportable segment: Clinical Services, which provides phase I-IV clinical trials, including clinical pharmacology and comprehensive clinical development capabilities. The measure of segment profit or loss that the CODM uses to evaluate performance and allocate resources is segment operating income. The CODM uses segment operating income to monitor budget versus actual results and to make decisions about resources to be allocated to the segment and assess its performance.

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In accordance with ASU 2023-07, Improvements to Reportable Segment Disclosures, significant expenses included within segment operating income have been assessed and disclosed in the table below. Segment asset information is not presented because it is not used by the CODM at the segment level.

Through the Spin, the combined statements of operations included costs for certain centralized functions and programs provided and administered by Labcorp that were charged directly to the Company. These centralized functions and programs included, but were not limited to legal, tax, treasury, risk management, sales expenses, information technology, human resources, finance, supply chain, executive leadership and stock-based compensation. These additional allocations are reported as “Corporate costs not included in segment operating income” in the table below. After the Separation, corporate costs not included in the segment operating income measure provided to the CODM are included within “Corporate costs not included in segment operating income.”

Segment operating income for the years ended December 31, 2025, 2024 and 2023 is reconciled to loss from continuing operations before income taxes as follows:

	Years Ended December 31,		
	2025	2024	2023
Revenues	\$ 2,723.4	\$ 2,696.4	\$ 2,842.5
Less:			
Pass through costs	1,027.6	939.4	976.4
Direct costs	1,191.4	1,221.7	1,275.4
Selling, general and administrative expenses	397.3	415.8	392.3
Depreciation	19.7	24.5	28.6
Segment operating income	87.4	95.0	169.8
Corporate costs not included in segment operating income	59.7	146.0	55.9
Amortization	58.3	60.8	60.7
Goodwill and other asset impairments	797.9	—	—
Restructuring and other charges	44.1	50.1	21.2
Operating (loss) income	(872.6)	(161.9)	32.0
Interest expense	(91.4)	(123.8)	(69.7)
Foreign exchange (loss) gain	(26.9)	(10.6)	0.3
Other, net	7.9	21.3	6.9
Loss from continuing operations before income taxes	\$ (983.0)	\$ (275.0)	\$ (30.5)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), are our controls and other procedures that are designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls over financial reporting, no matter how well designed, have inherent limitations, including the possibility of human error and the override of controls. Therefore, even those systems determined to be effective can provide only “reasonable assurance” with respect to the reliability of financial reporting and financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of our internal controls may vary over time.

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures as of December 31, 2025, the end of the period covered by this report, were effective to accomplish their objectives at the reasonable assurance level.

Management’s Report on Internal Control Over Financial Reporting and Report of Independent Registered Public Accounting Firm

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Act of 1934, as amended. 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 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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 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.

In connection with the preparation and filing of this Annual Report on Form 10-K, our management, including our chief executive officer and our chief financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025. Management conducted this assessment of the effectiveness of internal control over financial reporting based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation and the criteria established in Internal Control-Integrated Framework, management concluded that our internal control over financial reporting was effective as of December 31, 2025, based on the specified criteria.

Deloitte and Touche LLP, an independent registered public accounting firm, who audited and reported on the consolidated and combined financial statements of the Company included in this Annual Report, also audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, as stated in its report, which is included herein immediately preceding the Company's audited consolidated and combined financial statements. See "Report of Independent Registered Public Accounting Firm" which is included in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On February 24, 2026, the Company entered into an amendment (the "RPA Amendment") to modify its Receivables Purchase Agreement dated as of May 6, 2024, as amended (as so amended and as further amended by the RPA Amendment, the "Receivables Purchase Agreement"), by and among Fortrea Receivables LLC, a special purpose entity (the "SPE"), Fortrea Inc., as servicer, PNC Bank, National Association, as administrative agent (the "Administrative Agent"), PNC Capital Markets LLC, as structuring agent, and the purchasers from time to time party thereto (the "Purchasers"). Under the Receivables Purchase Agreement, the SPE has and can, from time to time, sell accounts receivable and certain related assets to the Purchasers in exchange for investments of capital. Among other things, the RPA Amendment extends the scheduled termination date to February 23, 2029, and grants certain rights to the Administrative Agent upon notice following an adverse change in the Company's credit rating by either of two specified rating agencies. The Receivables Purchase Agreement will continue to include certain funding conditions, customary representations and warranties, affirmative and negative covenants, servicing obligations, indemnification provisions, and events of default permitting the acceleration of amounts owed under the Receivables Purchase Agreement upon the occurrence of certain events. The foregoing description of the RPA Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of such agreement, which is filed herewith as Exhibit 10.30 and the terms of which are incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTION THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included in the definitive proxy statement of Fortrea related to its 2026 annual meeting of stockholders to be filed no later than 120 days after December 31, 2025 (the “2026 Proxy Statement”).

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item will be included in the 2026 Proxy Statement under the sections captioned “2025 Director Compensation,” “Compensation Discussion and Analysis,” “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Report of Compensation Committee,” and is incorporated herein by reference thereto.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item will be included in the 2026 Proxy Statement under the sections captioned “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” and is incorporated herein by reference thereto.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item will be included in the 2026 Proxy Statement under the sections captioned “Certain Relationships and “Director Independence” and is incorporated herein by reference thereto.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item will be included in the 2026 Proxy Statement under the sections captioned “Independent Registered Public Accounting Firm Fees and Other Matters” and “Audit Committee Pre-Approval Policy and Procedures” and is incorporated herein by reference thereto.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Item 15(a)(1) and (2) Financial Statements and Schedules

See "Index to Consolidated Financial Statements and Financial Statements Schedules" at Part II, Item 8 to this Annual Report on Form 10-K. Other financial statement schedules have not been included because they are not applicable or the information is included in the financial statements or notes thereto.

Item 15(a)(3) and Item 15(b) Exhibits

EXHIBIT NO.	DESCRIPTION	Filed Herewith	INCORPORATED BY REFERENCE			
			FORM	File No.	Exhibit	Filing Date
2.1	Separation and Distribution Agreement, dated June 29, 2023, by and between Laboratory Corporation of America Holdings and Fortrea Holdings Inc.		8-K	001-41704	2.1	3-Jul-23
3.1	Amended and Restated Certificate of Incorporation of Fortrea Holdings Inc.		8-K	001-41704	3.1	3-Jul-23
3.2	Amended and Restated By-Laws of Fortrea Holdings Inc.		8-K	001-41704	3.2	3-Jul-23
3.3	Certificate of Designations of Series A Preferred Stock of Fortrea Holdings Inc., as filed with the Secretary of State of the State of Delaware on June 12, 2025		8-K	001-41704	3.1	12-Jun-25
4.1	Indenture, dated June 27, 2023, among Fortrea Holdings Inc., as issuer, U.S. Bank Trust Company, National Association, as trustee and U.S. Bank Trust Company, National Association, as collateral agent, relating to Fortrea Holding Inc.'s 7.500% Senior Secured Notes due 2030.		8-K	001-41704	4.1	30-Jun-23
4.2	Form of 7.500% Senior Secured Notes due 2030 (included in Exhibit 4.1).		8-K	001-41704	4.2	30-Jun-23
4.3	Supplemental Indenture, dated June 30, 2023, among Fortrea Holdings Inc., as issuer, the Initial Subsidiary Guarantors (as defined in the Indenture), as guarantors, U.S. Bank Trust Company, National Association, as trustee and U.S. Bank Trust Company, National Association, as collateral agent, relating to Fortrea Holding Inc.'s 7.500% Senior Secured Notes due 2030.		8-K	001-41704	4.1	3-Jul-23
4.4	Rights Agreement, dated as of June 11, 2025, between Fortrea Holdings Inc. and Equiniti Trust Company, LLC as rights agent.		8-K	001-41704	4.1	12-Jun-25
4.5	Description of securities.	X				

10.1	Credit Agreement, dated June 30, 2023, among Fortrea Holdings Inc., as the Parent Borrower, Fortrea UK Holdings Limited, as the Initial English Borrower, certain Subsidiaries (as defined in the Credit Agreement) of the Parent Borrower party thereto pursuant to Section 1.15 of the Credit Agreement, Goldman Sachs Bank USA, as Agent for the several financial institutions from time to time party thereto (collectively, the “Lenders” and individually each a “Lender”) and other Secured Parties (as defined in the Credit Agreement) and for itself as a Lender (including as Swingline Lender (as defined in the Credit Agreement)) and as an L/C Issuer (as defined in the Credit Agreement), and the other Lenders and L/C Issuers from time to time party thereto.	8-K	001-41704	10.1	30-Jun-23
10.2	Amendment No. 1 to Credit Agreement, dated as of May 3, 2024, among Fortrea Holdings Inc., as the Parent Borrower, Fortrea UK Holdings Limited, as the Initial English Borrower, certain Subsidiaries (as defined in the Credit Agreement) of the Parent Borrower party thereto pursuant to Section 1.15 of the Credit Agreement, Goldman Sachs Bank USA, as Agent for the several financial institutions from time to time party thereto (collectively, the “Lenders” and individually each a “Lender”) and other Secured Parties (as defined in the Credit Agreement) and for itself as a Lender (including as Swingline Lender (as defined in the Credit Agreement)), and the other Lenders and L/C Issuers from time to time party thereto.	10-Q	001-41704	10.3	12-Aug-24
10.3	Amendment No. 2 to Credit Agreement, dated as of February 28, 2025, among Fortrea Holdings Inc., as the Parent Borrower, Fortrea UK Holdings Limited, as the Initial English Borrower, certain Subsidiaries (as defined in the Credit Agreement) of the Parent Borrower party thereto pursuant to Section 1.15 of the Credit Agreement, Goldman Sachs Bank USA, as Agent for the several financial institutions from time to time party thereto (collectively, the “Lenders” and individually each a “Lender”) and other Secured Parties (as defined in the Credit Agreement) and for itself as a Lender (including as Swingline Lender (as defined in the Credit Agreement)), and the other Lenders and L/C Issuers from time to time party thereto.	10-K	001-41704	10.26	3-Mar-25

10.4	Receivables Purchase Agreement, dated as of May 6, 2024, among Fortrea Receivables LLC, Fortrea Inc., PNC Bank, National Association, PNC Capital Markets LLC and the purchasers from time to time party thereto.	10-Q	001-41704	10.1	12-Aug-24
10.5	Sale and Contribution Agreement, dated as of May 6, 2024, among Fortrea Inc., as Originator and Servicer, and Fortrea Receivables LLC, as Buyer.	10-Q	001-41704	10.2	12-Aug-24
10.6	Tax Matters Agreement, dated June 29, 2023, by and between Laboratory Corporation of America Holdings and Fortrea Holdings Inc.	8-K	001-41704	10.1	3-Jul-23
10.7	Employee Matters Agreement, dated June 29, 2023, by and between Laboratory Corporation of America Holdings and Fortrea Holdings Inc.	8-K	001-41704	10.2	3-Jul-23
10.8	Clinical Development and Laboratory Services Agreement, dated May 1, 2023, by and between Laboratory Corporation of America Holdings and Fortrea Holdings Inc.	10-12B/A	001-41704	10.4	2-Jun-23
10.9	Fortrea Holdings Inc. 2023 Omnibus Incentive Plan. (as amended and restated).*	10-Q	001-41704	10.5	6-Aug-25
10.10	Amended and Restated Fortrea Holdings Inc. 2025 Inducement Award Plan.*	S-8	333-289976	99.1	29-Aug-25
10.11	Form of Restricted Stock Unit Agreement (2025 Inducement Award Plan).*	10-Q	001-41704	10.7	6-Aug-25
10.12	Form of Performance Share Unit Agreement (2025 Inducement Award Plan).*	10-Q	001-41704	10.8	6-Aug-25
10.13	Fortrea Holdings Inc. Employee Stock Purchase Plan.*	8-K	001-41704	10.5	3-Jul-23
10.14	Form of Option Agreement.*	8-K	001-41704	10.6	3-Jul-23
10.15	Offer Letter, effective as of August 4, 2025, between Fortrea Holdings Inc. and Anshul Thakral.*	10-Q	001-41704	10.1	6-Aug-25
10.16	Offer Letter, effective as of May 13, 2025, between Fortrea Holdings Inc. and Peter M. Neupert.*	10-Q	001-41704	10.2	6-Aug-25
10.17	Consulting Agreement, effective as of May 13, 2025, between Fortrea Holdings Inc. and Thomas Pike.	10-Q	001-41704	10.3	6-Aug-25
10.18	Executive Employment Agreement by and between Thomas H. Pike and Laboratory Corporation of America dated January 4, 2023.*	10-12B/A	001-41704	10.5	2-Jun-23
10.19	Restricted Stock Unit Award Agreement dated August 17, 2023 between Fortrea Holdings Inc. and Thomas Pike.*	8-K	001-41704	10.1	21-Aug-23

10.20	First Amendment dated September 13, 2024 to the Restricted Stock Unit Award Agreement dated August 17, 2023 between Fortrea Holdings Inc. and Thomas Pike.*		10-Q	001-41704	10.3	8-Nov-24
10.21	Non-Qualified Option Agreement dated August 17, 2023 between Fortrea Holdings Inc. and Thomas Pike*		8-K	001-41704	10.2	21-Aug-23
10.22	Master Senior Executive Severance Plan.*		10-Q	001-41704	10.4	6-Aug-25
10.23	Fortrea Inc. Nonqualified Deferred Compensation Plan.*		10-12B/A	001-41704	10.9	2-Jun-23
10.24	Letter Agreement, dated May 21, 2023, by and between Laboratory Corporation of America Holdings and Jill McConnell.*		10-K	001-41704	10.16	13-Mar-24
10.25	Letter Agreement, dated May 21, 2023, by and between Laboratory Corporation of America Holdings and Mark Morais.*		10-K	001-41704	10.17	13-Mar-24
10.26	Non-Employee Director Compensation Policy.*		10-K	001-41704	10.20	13-Mar-24
10.27	Form of Non-Employee Director Restricted Stock Unit Agreement.*		10-K	001-41704	10.21	13-Mar-24
10.28	Form of Performance Share Unit Agreement (2023 Omnibus Incentive Plan).*		10-Q	001-41704	10.2	8-Nov-24
10.29	Form of Restricted Stock Unit Agreement (2023 Omnibus Incentive Plan).*		10-Q	001-41704	10.1	8-Nov-24
10.30	Second Amendment to the Receivables Purchase Agreement, dated as of February 24, 2026, by and among Fortrea Receivables LLC, Fortrea Inc., PNC Bank, National Association, and PNC Capital Markets LLC.	X				
19	Fortrea Insider Trading Policy.		10-K	001-41704	19	13-Mar-24
21	List of Subsidiaries of the Company.	X				
23.1	Consent of Deloitte & Touche, an independent registered accounting firm	X				
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				

32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
97	Policy Relating to Recovery of Erroneously Awarded Compensation.		10-K	001-41704	97	13-Mar-24
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.	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Document.	X				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X				
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL Instance document included in Exhibit 101.	X				

* Indicates management contract or compensatory plan.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

FORTREA HOLDINGS INC.
(Registrant)

By: /s/ JILL McCONNELL
Name: Jill McConnell
Chief Financial Officer
(On behalf of the Registrant and as Chief Financial Officer)
Date: February 26, 2026

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENT that the undersigned officers and directors of Fortrea Holdings Inc. do hereby constitute and appoint Anshul Thakral and Jill McConnell, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that all said attorneys-in-fact and agents, or any of them or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ ANSHUL THAKRAL</u> Anshul Thakral	President, Chief Executive Officer and Director (<i>Principal Executive Officer</i>)	February 26, 2026
<u>/s/ JILL McCONNELL</u> Jill McConnell	Chief Financial Officer (<i>Principal Financial Officer</i>)	February 26, 2026
<u>/s/ ROBERT PARKS</u> Robert Parks	Chief Accounting Officer (<i>Principal Accounting Officer</i>)	February 26, 2026
<u>/s/ PETER M. NEUPERT</u> Peter M. Neupert	Director and Chairman of the Board	February 26, 2026
<u>/s/ EDWARD PESICKA</u> Edward Pesicka	Director	February 26, 2026
<u>/s/ AMRIT RAY, M.D.</u> Amrit Ray, M.D.	Director	February 26, 2026
<u>/s/ ERIN L RUSSELL</u> Erin L Russell	Director	February 26, 2026
<u>/s/ MACHELLE SANDERS</u> Machelle Sanders	Director	February 26, 2026
<u>/s/ WILLIAM SHARBAUGH</u> William Sharbaugh	Director	February 26, 2026
<u>/s/ DAVID SMITH</u> David Smith	Director	February 26, 2026

**FORTREA HOLDINGS INC.
DESCRIPTION OF CAPITAL STOCK**

The following is a summary of the material terms of the capital stock of Fortrea Holdings Inc. (“Fortrea,” the “Company,” “we,” “our,” and “us”) and certain provisions of our amended and restated certificate of incorporation (“Certificate of Incorporation”) and our amended and restated bylaws (“Bylaws”). The summaries and descriptions below do not purport to be complete statements of the rights and preferences of such securities and are qualified in their entirety by reference to our Certificate of Incorporation, our Bylaws, and the Certificate of Designations of our Series A Preferred Stock, which are filed as exhibits to our Annual Report on Form 10-K which this exhibit is a part, filed with the Securities and Exchange Commission, as well as applicable provisions of the Delaware General Corporation Law (the “DGCL”).

General

Our authorized capital stock consists of 265,000,000 shares of common stock, par value \$0.001 per share, and 30,000,000 shares of preferred stock, par value \$0.001 per share.

Dividends on Capital Stock

Our board of directors may declare and pay dividends on our common stock out of funds legally available for that purpose, subject to the rights of holders of preferred stock.

Common Stock

The holders of our common stock are entitled to one vote for each share held. When a quorum is present at any meeting of stockholders and except as otherwise provided by law, the Certificate of Incorporation, the Bylaws or in a Preferred Stock Designation (as defined in the Bylaws), the affirmative vote of a majority of the shares present in person or represented by proxy at a meeting of stockholders and entitled to vote on the matter will be the act of the stockholders with respect to all matters other than the election of directors. A majority of the votes cast at any meeting for the election of directors at which a quorum is present shall elect directors, where a majority of votes cast shall mean that the number of shares voted “for” a director’s election exceeds 50% of the number of votes cast with respect to that director’s election.

Upon liquidation, the holders of our common stock are entitled to share ratably in the assets available for distribution to stockholders after satisfaction of any liquidation preferences of any outstanding preferred stock. The issuance of any shares of any series of preferred stock in future financings, acquisitions, or otherwise may result in dilution of voting power and relative equity interest of the holders of shares of our common stock and will subject our common stock to the prior dividend and liquidation rights of the outstanding shares of the series of preferred stock.

Our common stock has no conversion rights nor are there any redemption or sinking fund provisions with respect to the common stock. Holders of our common stock have no pre-emptive right to subscribe for or purchase any additional stock or securities of Fortrea.

Preferred Stock

At the direction of our board of directors, without any action by the holders of our common stock, we may issue one or more series of preferred stock from time to time. Our board of directors can determine: the number of shares of any series of preferred stock and the designation to distinguish the shares of such series from the shares of all other series; the voting powers, if any, and whether such voting powers are full or limited in such series; the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid; whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates and preferences of dividends on such series; the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Company; the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock, or any other security, of the Company or any other corporation or other entity, and the rates or other determinants of conversion or exchange applicable thereto; the right, if any, to subscribe for or to purchase any securities of the Company or any other corporation or other entity; the provisions, if any, of a sinking fund applicable to such series; and any other relative, participating, optional, or other special powers, preferences or rights and qualifications, limitations, or restrictions.

Rights to Purchase Series A Preferred Stock

On June 11, 2025, our board of directors declared a dividend of one preferred share purchase right (a “Right”) for each share of common stock, par value \$0.001 per share, of the Company outstanding on June 23, 2025 (the “Record Date”) to the stockholders of record on that date. In connection with the distribution of the Rights, the Company entered into a Rights Agreement (the “Rights Agreement”), dated as of June 11, 2025, between the Company and Equiniti Trust Company, LLC, as rights agent. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A preferred stock, par value \$0.001 per share, of the Company at a price of \$50.00 per one one-thousandth of a preferred share represented by a Right (the “Purchase Price”), subject to adjustment.

Distribution Date; Exercisability; Expiration

Initially, the Rights will be attached to all common stock certificates and no separate certificates evidencing the Rights (“Right Certificates”) will be issued. Until the Distribution Date (as defined below), the Rights will be transferred with and only with the common stock. As long as the Rights are attached to the common stock, the Company will issue one Right with each new common share so that all such common stock will have Rights attached.

The Rights will separate and begin trading separately from the common stock, and Right Certificates will be caused to evidence the Rights, on the earlier to occur of (i) the Close of Business (as such term is defined in the Rights Agreement) on the tenth day following a public announcement, or the public disclosure of facts indicating (or our board of directors becoming aware), that a Person (as such term is defined in the Rights Agreement) or group of affiliated or associated Persons has acquired Beneficial Ownership (as defined below) of 10% or more of the outstanding common stock (an "Acquiring Person") (or, in the event our board of directors determines to effect an exchange in accordance with Section 24 of the Rights Agreement and our board of directors determines that a later date is advisable, then such later date) and (ii) the Close of Business on the tenth Business Day (as such term is defined in the Rights Agreement) (or such later date as may be determined by action of our board of directors prior to such time as any Person becomes an Acquiring Person) following the commencement of a tender offer or exchange offer the consummation of which would result in the Beneficial Ownership by a Person or group of 10% or more of the outstanding common stock (the earlier of such dates, the "Distribution Date"). As soon as practicable after the Distribution Date, unless the Rights are recorded in book-entry or other uncertificated form, the Company will prepare and cause the Right Certificates to be sent to each record holder of common stock as of the Distribution Date.

An "Acquiring Person" will not include (i) the Company, (ii) any Subsidiary (as such term is defined in the Rights Agreement) of the Company, (iii) any employee benefit plan of the Company or of any Subsidiary of the Company, (iv) any entity holding common stock for or pursuant to the terms of any such employee benefit plan or (v) any Person who or which, together with all Affiliates and Associates (as such terms are defined in the Rights Agreement) of such Person, at the time of the first public announcement of the Rights Agreement, is a Beneficial Owner of 10% or more of the common stock then outstanding (a "Grandfathered Stockholder"). However, if a Grandfathered Stockholder becomes, after such time, the Beneficial Owner of any additional common stock (regardless of whether, thereafter or as a result thereof, there is an increase, decrease or no change in the percentage of common stock then outstanding Beneficially Owned (as such term is defined in the Rights Agreement) by such Grandfathered Stockholder) then such Grandfathered Stockholder shall be deemed to be an Acquiring Person unless, upon such acquisition of Beneficial Ownership of additional common stock, such person is not the Beneficial Owner of 10% or more of the common stock then outstanding. In addition, upon the first decrease of a Grandfathered Stockholder's Beneficial Ownership below 10%, such Grandfathered Stockholder will no longer be deemed to be Grandfathered Stockholder. In the event that after the time of the first public announcement of the Rights Agreement, any agreement, arrangement or understanding pursuant to which any Grandfathered Stockholder is deemed to be the Beneficial Owner of common stock expires, is settled in whole or in part, terminates or no longer confers any benefit to or imposes any obligation on the Grandfathered Stockholder, any direct or indirect replacement, extension or substitution of such agreement, arrangement or understanding with respect to the same or different common stock that confers Beneficial Ownership of common stock shall be considered the acquisition of Beneficial Ownership of additional common stock by the Grandfathered Stockholder and render such Grandfathered Stockholder an Acquiring Person for purposes of the Rights Agreement unless, upon such acquisition of Beneficial Ownership of additional common stock, such person is not the Beneficial Owner of 10% or more of the common stock then outstanding.

“Beneficial Ownership” is defined in the Rights Agreement to include any securities (i) which a Person or any of such Person’s Affiliates or Associates beneficially owns, directly or indirectly, within the meaning of Rules 13d-3 or 13d-5 promulgated under the Securities Exchange Act of 1934, as amended, or has the right or ability to vote, or the right to acquire, pursuant to any agreement, arrangement or understanding (except under limited circumstances), (ii) which are directly or indirectly Beneficially Owned by any other Person with which a Person has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of such securities, or cooperating in changing, obtaining or influencing control of the Company, or (iii) which are the subject of, or reference securities for, or that underlie, certain derivative positions of any Person or any of such Person’s Affiliates or Associates.

The Rights are not exercisable until the Distribution Date. The Rights will expire on the Close of Business on June 10, 2026 (the “Final Expiration Date”).

Flip-in Event

If a Person or group becomes an Acquiring Person at any time after the date of the Rights Agreement (with certain limited exceptions), the Rights will become exercisable for common stock having a value equal to two times the exercise price of the Right. From and after the announcement that any Person has become an Acquiring Person, if the Rights evidenced by a Right Certificate are or were acquired or Beneficially Owned by an Acquiring Person or any Associate or Affiliate of an Acquiring Person, such Rights shall become void, and any holder of such Rights shall thereafter have no right to exercise such Rights. If our board of directors so elects, the Company may deliver upon payment of the exercise price of a Right an amount of cash, securities, or other property equivalent in value to the common stock issuable upon exercise of a Right.

Exchange

At any time after any Person becomes an Acquiring Person, our board of directors may exchange the Rights (other than Rights owned by any Person which have become void), in whole or in part, at an exchange ratio of one common share per Right (subject to adjustment). The Company may issue, transfer or deposit such common stock (or other property as permitted under the Rights Agreement) to or into a trust or other entity created upon such terms as our board of directors may determine and may direct that all holders of Rights receive such common stock or other property only from the trust. In the event our board of directors determines, before the Distribution Date, to effect an exchange, our board of directors may delay the occurrence of the Distribution Date to such time as it deems advisable.

Flip-over Event

If, at any time after a Person becomes an Acquiring Person, (i) the Company consolidates with, or merges with, any other Person (or any Person consolidates with, or merges with, the Company) and, in connection with such consolidation or merger, all or part of the common stock are or will be changed into or exchanged for stock or other securities of any other Person or cash or any other property; or (ii) 50% or more of the Company’s consolidated assets or Earning Power (as defined in the Rights Agreement) are sold, then proper provision will be made so that each holder of a Right will thereafter have the right to receive, upon the exercise thereof at the then current exercise price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the Right.

Redemption

At any time prior to the time any Person becomes an Acquiring Person, our board of directors may redeem the Rights in whole, but not in part, at a price of \$0.001 per Right (the “Redemption Price”). The redemption of the Rights may be made effective at such time, on such basis and with such conditions as our board of directors in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Amendment

The terms of the Rights may be amended by our board of directors without the consent of the holders of the Rights, except that from and after such time as any Person becomes an Acquiring Person no such amendment may adversely affect the interests of the holders of the Rights (other than the Acquiring Person and its Affiliates and Associates).

Preferred Stock Rights

Each one-thousandth of a Preferred Share will entitle the holder thereof to the same dividends and liquidation rights as if the holder held one common share and will be treated the same as a common share in the event of a merger, consolidation or other share exchange.

Rights of Holders

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

Provisions of Our Certificate of Incorporation and Bylaws, and Delaware Law, That May Have an Anti-Takeover Effect

Certain provisions of our Certificate of Incorporation and Bylaws, and Delaware law described in this section, may be deemed to have anti-takeover effects. These provisions may discourage or make more difficult an attempt by a stockholder or other entity to acquire control of Fortrea. These provisions may also make more difficult an attempt by a stockholder or other entity to remove management. Specifically, our governing documents will:

- authorize the issuance of “blank check” preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- until the annual meeting of stockholders to be held in 2028, provide for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year, which may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of our board of directors;
- not permit cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;

- provide that vacancies on our board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- prohibit stockholders from nominating director candidates for inclusion in proxy material;
- prohibit stockholders from calling special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- until the annual meeting of stockholders to be held in 2028, require the approval of holders of at least seventy-five percent (75%) of the outstanding shares of our common stock, voting together as a single class, to amend certain provisions of our Bylaws and certain provisions of our Certificate of Incorporation.

We are governed by the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years following the time that the person became an interested stockholder, unless:

- prior to the time that the person became an interested stockholder the corporation’s board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the stockholder owned at least 85% of the outstanding voting stock of the corporation at the time the transaction commenced, excluding, for the purpose of determining the number of shares outstanding, those shares owned by the corporation’s officers and directors and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time the business combination is approved by the corporation’s board of directors and authorized at an annual or special meeting of its stockholders, and not by written consent, by the affirmative vote of at least $66\frac{2}{3}\%$ of the corporation’s outstanding voting stock that is not owned by the interested stockholder.

A “business combination” includes mergers, asset sales, or other transactions resulting in a financial benefit to the stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns (or within three years did own) 15% or more of the corporation’s voting stock.

Market Listing

Our common stock is traded on Nasdaq and is quoted under the symbol “FTRE.”

Transfer Agent, Distribution Agent, and Registrar

Equinit Trust Company, LLC is the transfer agent, distribution agent, and registrar for our common stock.

**SECOND AMENDMENT TO THE
RECEIVABLES PURCHASE AGREEMENT**

This SECOND AMENDMENT TO THE RECEIVABLES PURCHASE AGREEMENT (this “Amendment”), dated as of February 24, 2026, is entered into by and among the following parties:

- (i) FORTREA RECEIVABLES LLC, a Delaware limited liability company, as Seller (the “Seller”);
- (ii) FORTREA INC., a Maryland corporation, as initial Servicer (the “Servicer”);
- (iii) PNC BANK, NATIONAL ASSOCIATION, as Purchaser (in such capacity, the “Purchaser”) and as Administrative Agent (in such capacity, the “Administrative Agent”); and
- (iv) PNC CAPITAL MARKETS LLC, as Structuring Agent (in such capacity, the “Structuring Agent”).

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Receivables Purchase Agreement described below.

BACKGROUND

A. The parties hereto have entered into a Receivables Purchase Agreement, dated as of May 6, 2024 (as amended, restated, supplemented or otherwise modified through the date hereof, the “Receivables Purchase Agreement”).

B. Concurrently herewith, the Seller, the Administrative Agent and the Structuring Agent are entering into an Amended and Restated Agent Fee Letter (the “Agent Fee Letter”) dated as of the date hereof.

C. Concurrently herewith, the Seller, the Administrative Agent, the Purchaser and are entering into an Amended and Restated Purchaser Fee Letter (the “Purchaser Fee Letter”) and together with the Agent Fee Letter, the “Fee Letters”) dated as of the date hereof.

D. The parties hereto desire to amend the Receivables Purchase Agreement as set forth herein.

NOW, THEREFORE, with the intention of being legally bound hereby, and in consideration of the mutual undertakings expressed herein, each party to this Amendment hereby agrees as follows:

SECTION 1. Amendments to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended by adding the text marked with

double-underlining and deleting the ~~strike through~~ text, in each case as set forth in Exhibit A attached hereto.

SECTION 2. Representations and Warranties of the Seller and Servicer. Each of the Seller and the Servicer hereby represents and warrants to each of the parties hereto as of the date hereof as follows:

(a) Representations and Warranties. Immediately after giving effect to this Amendment, each of the representations and warranties made by such Person in the Transaction Documents to which it is a party are true and correct as of the date hereof (unless such representations and warranties are stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date).

(b) Enforceability. The execution and delivery by such Person of this Amendment, and the performance of its obligations under this Amendment, the Receivables Purchase Agreement (as amended hereby) and the other Transaction Documents to which it is a party are within its organizational powers and have been duly authorized by all necessary action on its part, and this Amendment, the Receivables Purchase Agreement (as amended hereby) and the other Transaction Documents to which it is a party are its valid and legally binding obligations, enforceable in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) No Event of Default. No Event of Default or Potential Default has occurred and is continuing, or would occur as a result of this Amendment or the transactions contemplated hereby or thereby.

SECTION 3. Effect of Amendment; Ratification.

(a) All provisions of the Receivables Purchase Agreement and the other Transaction Documents, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Receivables Purchase Agreement (or in any other Transaction Document) to "this Receivables Purchase Agreement", "this Agreement", "hereof", "herein" or words of similar effect referring to the Receivables Purchase Agreement shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Receivables Purchase Agreement other than as set forth herein. The Receivables Purchase Agreement, as amended by this Amendment, is hereby ratified and confirmed in all respects.

(b) Without prejudice to the generality of the above, the Seller in its capacity as "Chargor" under the UK Security Agreement, hereby (a) consents to the amendment of

the Receivables Purchase Agreement effected by Section 1 and (b) confirms to the Administrative Agent for the benefit of the Secured Parties that (i) its obligations under, and the Security (as defined in the UK Security Agreement) granted by it in and pursuant to, the UK Security Agreement are not discharged or (except as set out in paragraph (b)(ii) hereof) otherwise affected by those amendments or the other provisions of this Amendment and shall accordingly remain in full force and effect and (ii) the Secured Liabilities (under and as defined in the UK Security Agreement) shall after the date of this Amendment extend to the obligations of the Seller under the Receivables Purchase Agreement as amended by this Amendment.

SECTION 4. Ratification and Affirmation of Performance Guaranty. After giving effect to this Amendment and the transactions contemplated by this Amendment, all of the provisions of the Performance Guaranty shall remain in full force and effect and the Performance Guarantor hereby ratifies and affirms the Performance Guaranty and acknowledges that the Performance Guaranty has continued and shall continue in full force and effect in accordance with its terms.

SECTION 5. Effectiveness. This Amendment shall become effective as of the date hereof upon the Administrative Agent's receipt of:

- (a) counterparts to this Amendment executed by each of the parties hereto; and
- (b) counterparts to the Fee Letters executed by each of the parties thereto and all fees owing thereunder.

SECTION 6. Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 7. Transaction Document. This Amendment shall be a Transaction Document for purposes of the Receivables Purchase Agreement.

SECTION 8. Counterparts. This Amendment may be executed in any number of counterparts, and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed signature page to this Amendment hereof by facsimile or e-mail transmission shall be equally effective as delivery of a manually executed counterpart hereof.

SECTION 9. GOVERNING LAW; JURISDICTION.

(a) THIS AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT SHALL

BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY PURCHASER OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AMENDMENT OR IN ANY OTHER TRANSACTION DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY PURCHASER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT AGAINST THE SELLER, THE SERVICER OR ANY OTHER SELLER-RELATED PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) THE PARTIES HERETO HEREBY 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 AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (A) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 10. 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 AMENDMENT OR ANY OTHER TRANSACTION 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 AMENDMENT AND THE OTHER TRANSACTION DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 11. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Receivables Purchase Agreement or any provision hereof or thereof.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

FORTREA RECEIVABLES LLC, as Seller

By: /s/ Jill McConnell
Name: Jill McConnell
Title: Chief Financial Officer

FORTREA INC., as Servicer

By: /s/ Jill McConnell
Name: Jill McConnell
Title: Chief Financial Officer

Second Amendment to RPA (Fortrea)

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: /s/ Eric Bruno
Name: Eric Bruno
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION,
as Purchaser

By: /s/ Eric Bruno
Name: Eric Bruno
Title: Senior Vice President

PNC CAPITAL MARKETS LLC,
as Structuring Agent

By: /s/ Eric Bruno
Name: Eric Bruno
Title: Managing Director

Second Amendment to RPA (Fortrea)

ACKNOWLEDGED AND ACCEPTED AS TO SECTION 4 HEREOF:

FORTREA HOLDINGS INC., as Performance Guarantor

By: /s/ Jill McConnell

Name: Jill McConnell

Title: Chief Financial Officer

Second Amendment to RPA (Fortrea)

EXHIBIT A

Amendments to the Receivables Purchase Agreement

RECEIVABLES PURCHASE AGREEMENT

Dated as of May 6, 2024

by and among

FORTREA RECEIVABLES LLC,
as Seller,

THE PERSONS FROM TIME TO TIME PARTY HERETO,
as Purchasers,

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

FORTREA INC.,
as Servicer,

and

PNC CAPITAL MARKETS LLC,
as Structuring Agent

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This RECEIVABLES PURCHASE AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this “Agreement”) is entered into as of May 6, 2024, by and among the following parties:

- (i) FORTREA RECEIVABLES LLC, a Delaware limited liability company (the “Seller”);
- (ii) the Persons from time to time party hereto as Purchasers;
- (iii) PNC BANK, NATIONAL ASSOCIATION (“PNC”), as Administrative Agent;
- (iv) FORTREA INC., a Maryland corporation (“Fortrea”), as Servicer; and
- (v) PNC CAPITAL MARKETS LLC, a Pennsylvania limited liability company, as Structuring Agent.

PRELIMINARY STATEMENTS

The Seller has acquired, and will acquire from time to time, Receivables from the Originator(s) pursuant to the Transfer Agreement. The Seller desires to sell Receivables to the Purchasers and, in connection therewith, has requested that the Purchasers make Investments from time to time on the terms and subject to the conditions set forth herein.

In consideration of the mutual agreements, provisions and covenants contained herein, the sufficiency of which is hereby acknowledged, intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Account Control Agreement” means each agreement among the Seller, the Servicer (if applicable), the Administrative Agent and a Collection Account Bank, governing the terms of one or more Collection Accounts that provides the Administrative Agent with “control” (within the meaning of the UCC) over such Collection Account(s) each in form and substance satisfactory to Administrative Agent.

“Adjusted Net Receivables Pool Balance” means, at any time, an amount equal to (a) the Net Receivables Pool Balance at such time, minus (b) the Specifically Reserved Dilution Amount.

“Administrative Agent” means PNC, in its capacity as contractual representative for the Purchaser Parties, and any successor thereto in such capacity appointed in accordance with the terms hereof.

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

“Adverse Claim” means any Lien, other than a Lien in favor of or assigned to the Administrative Agent (for the benefit of the Secured Parties).

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

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

“Agent Parties” has the meaning set forth in Section 12.03.

“Aggregate Capital” means, at any time, the aggregate outstanding Capital of all Purchasers at such time.

“Aggregate Eligible Receivables Balance” means, at any time, an amount equal to (a) the aggregate Outstanding Balance of all Eligible Receivables, minus (b) the Deferred Revenue Offset Amount.

“Aggregate Yield” means, at any time, the aggregate accrued and unpaid Yield on the Investments of all Purchasers at such time.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Alternative Currency” means Euro.

“Anti-Corruption Laws” means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which any Seller-Related Party is located or doing business.

“Anti-Money Laundering Laws” means (a) the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001; (b) the U.K. Proceeds of Crime Act 2002, the Money Laundering Regulations 2017, as amended and the Terrorist Asset-Freezing etc. Act 2010; and (c) any other applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which any Seller-Related Party is located or doing business.

“Approved Fund” means any Fund that is administered or managed by (a) a Purchaser, (b) an Affiliate of a Purchaser or (c) an entity or an Affiliate of an entity that administers or manages a Purchaser.

“Assignment and Assumption Agreement” means an assignment and assumption entered into by a Purchaser and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.06), and accepted by the Administrative Agent, in substantially the form of Exhibit C or any other form approved by the Administrative Agent.

“Attorney Costs” means and includes all reasonable and documented fees, costs, expenses and disbursements of any law firm or other external counsel and all disbursements of internal counsel.

“Authorized Officer” means, with respect to any Seller-Related Party, the Chief Executive Officer, President, Chief Financial Officer, Chief Accounting Officer, Treasurer, Assistant Treasurer, General Counsel, Secretary or Assistant Secretary of such Seller-Related Party, any manager or the members (as applicable) in the case of any Seller-Related Party which is a limited liability company, or such other individuals, designated by written notice to the Administrative Agent from the Seller, authorized to execute notices, reports and other documents on behalf of such Seller-Related Party required hereunder. The Seller may amend such list of individuals from time to time by giving written notice of such amendment to the Administrative Agent.

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

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

“Bankruptcy Code” means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.).

“Base Rate” means, for any day, a fluctuating per annum rate of interest equal to the highest of (i) the Overnight Bank Funding Rate, plus 0.50%, (ii) the Prime Rate, and (iii) Daily Simple SOFR, plus 1.00%, so long as Daily Simple SOFR is offered, ascertainable and not unlawful; provided, however, if the Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. Any change in the Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs. Notwithstanding anything to the contrary contained herein, in the case of any event specified in Section 2.04(a) or Section 2.04(b), to the extent any such determination affects the calculation of Base Rate, the definition hereof shall be calculated without reference to clause (iii) above until the circumstances giving rise to such event no longer exist.

“Base Rate Capital” means, at any time, any Capital on which Yield accrues by reference to the Base Rate.

“Benchmark Replacement” has the meaning set forth in Section 2.04(d).

“Beneficial Owner” means, for the Seller, each of the following: (a) each individual, if any, who, directly or indirectly, owns 25% or more of the Seller’s Equity Interests; and (b) a single individual with significant responsibility to control, manage, or direct the Seller.

“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”.

“Blocked Property” means any property: (a) owned, directly or indirectly, by a Sanctioned Person; (b) due to or from a Sanctioned Person; (c) in which a Sanctioned Person otherwise holds any interest; (d) located in a Sanctioned Jurisdiction; or (e) that otherwise could cause any actual or possible violation by any Purchaser Party of any applicable International Trade Law if the Purchaser Parties were to obtain an encumbrance on, lien on, pledge of, or security interest in such property, or provide services in consideration of such property.

“Business Day” means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed, or are in fact closed, for business in Pittsburgh, Pennsylvania (or, if otherwise, the Lending Office of the Administrative Agent); provided that, for purposes of any direct or indirect calculation or determination of, or when used in connection with any interest rate settings, fundings, disbursements, settlements, payments, or other dealings with respect to, SOFR, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“Capital” means, with respect to any Purchaser, the aggregate amounts paid to, or on behalf of, the Seller in connection with all Investments made by such Purchaser pursuant to Article II, as reduced from time to time by Collections or other funds of the Seller that have been distributed to such Purchaser and applied as a repayment of Capital in accordance with this Agreement; provided, that if such Capital shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Capital shall be increased by the amount of such rescinded or returned distribution as though it had not been made.

“Capital Coverage Amount” means, at any time, the amount equal to the lesser of (a) the Facility Limit and (b) the amount equal to (i) the Adjusted Net Receivables Pool Balance at such time, minus (ii) the Total Reserves at such time.

“Capital Coverage Amount Deficit” means, at any time, the amount, if any, by which (a) the Aggregate Capital at such time, exceeds (b) the Capital Coverage Amount at such time.

“Capital Tranche” means specified portions of Capital outstanding as follows: (a) all Capital (or portions thereof) for which the applicable Yield Rate is determined by reference to Daily 1M SOFR shall constitute one Borrowing Tranche, (b) all Capital (or portions thereof) for which the applicable Yield Rate is determined by reference to the Base Rate shall constitute one Borrowing Tranche, and (c) all Capital for which the applicable Yield Rate is determined by

reference to the Term SOFR Rate with the same Yield Period shall constitute one Capital Tranche.

“Cash Dominion Administration Account” means one or more deposit accounts at any time designated as a Cash Dominion Administration Account by the Administrative Agent.

“Certificate of Beneficial Ownership” means, for the Seller, a certificate in form and substance acceptable to the Administrative Agent (as such form may be amended or modified by the Administrative Agent from time to time in its sole discretion), certifying, among other things, the Beneficial Owner of the Seller.

“Change in Control” means the occurrence of any of the following:

- (a) Fortrea ceases to own, directly, 100% of the Equity Interests of the Seller free and clear of all Adverse Claims;
- (b) any Subordinated Loan ceases to be 100% owned (beneficially and of record) by the Originators free and clear of all Adverse Claims;
- (c) the Parent ceases to own, directly or indirectly, 100% of the Equity Interests of the Seller, the Servicer or any Originator;
- (d) any “person” or “group” (as such terms are used in the Sections 13(d) and 14(d) of the Exchange Act) of persons acting in concert is or shall become the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act) of the outstanding Equity Interests of the Parent representing more than 35% of the voting power of the Parent; or
- (e) a “Change of Control” or any comparable term under, and as defined in, the First Lien Credit Agreement or the documentation governing the Secured Notes or any other Senior Secured Obligations (other than any Cash Management Agreement or Rate Contract) that have an aggregate principal amount of more than the Threshold Amount (determined as of the most recently completed Test Period). For purposes of this clause (e), “Change of Control,” “Cash Management Agreement,” “Rate Contract,” “Secured Notes” and “Senior Secured Obligations” shall have the meanings assigned to such terms in the First Lien Credit Agreement as in effect on the Closing Date without giving effect to any subsequent amendment, restatement, waiver or supplement thereof or thereto unless (i) such amendment, restatement, waiver or supplement is consented to by the Administrative Agent in writing, or (ii) the Administrative Agent (or an Affiliate thereof) is a lender under the First Lien Credit Agreement on or after the date of such amendment, restatement, waiver or supplement thereof.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Official Body or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Official Body; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Law) and (y) all requests, rules, regulations, guidelines, interpretations 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 (whether or not having the force of Law), 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, promulgated or implemented.

“CIP Regulations” has the meaning set forth in Section 10.11.

“Closing Date” means May 6, 2024.

“Code” means the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

“Collection Account” means each account listed on Schedule II to this Agreement (as such schedule may be modified from time to time in connection with the closing or opening of any Collection Account in accordance with the terms hereof) (in each case, in the name of the Seller) and maintained at a bank or other financial institution acting as a Collection Account Bank pursuant to an Account Control Agreement for the purpose of receiving Collections.

“Collection Account Bank” means any of the banks or other financial institutions holding one or more Collection Accounts.

“Collections” means, with respect to any Pool Receivable: (a) all funds that are received by any Seller-Related Party or any other Person on their behalf in payment of any amounts owed in respect of such Pool Receivable (including purchase price, service charges, finance charges, interest, fees and all other charges), or applied to amounts owed in respect of such Pool Receivable (including insurance payments, proceeds of drawings under supporting letters of credit and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all Deemed Collections, (c) all proceeds of all Related Security with respect to such Pool Receivable and (d) all other proceeds of such Pool Receivable.

“Commitment” means, with respect to any Purchaser, the maximum aggregate amount of Capital which such Person is obligated to lend or pay hereunder on account of all Investments, on a combined basis, as set forth on Schedule I, as such Commitment is thereafter assigned or modified. If the context so requires, “Commitment” also refers to a Purchaser’s obligation to make Investments hereunder in accordance with this Agreement.

“Committed Purchaser” means each Purchaser that has a Commitment and each other Purchaser that is not a Conduit Purchaser. As of the Closing Date, the sole Committed Purchaser is PNC.

“Communications” has the meaning set forth in Section 12.03(d).

“Compliance Authority” means (a) the United States government or any agency or political subdivision thereof, including, without limitation, the U.S. Department of State, the U.S. Department of Commerce, the U.S. Department of the Treasury and its Office of Foreign Assets Control, and the U.S. Customs and Border Protection agency; (b) the government of Canada or any agency thereof; (c) the European Union or any agency thereof; (d) the government of the United Kingdom or any agency thereof; (e) the United Nations Security Council; and (f) any other Official Body with jurisdiction to administer Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws with respect to the conduct of a Covered Entity.

“Concentration Percentage” means (a) for any Group A Obligor, 25.0%, (b) for any Group B Obligor, 15.0%, (c) for any Group C Obligor, 10.0% and (d) for any Group D Obligor, 5.0%.

“Concentration Reserve Percentage” means, at any time, the largest of: (a) the sum of the four largest Obligor Percentages of the Group D Obligors, (b) the sum of the two largest Obligor Percentages of the Group C Obligors, and (c) the one largest Obligor Percentages of the Group B Obligors.

“Conduit Purchaser” means each multi-seller asset-backed commercial paper conduit that is or becomes a party to this Agreement in the capacity of a “Conduit Purchaser” with the prior written agreement of such Conduit Purchaser, its Related Committed Purchaser, the Seller and the Administrative Agent; provided, however, that no Purchaser (even if such Purchaser is a multi-seller asset-backed commercial paper conduit) that has a Commitment shall constitute a Conduit Purchaser. As of the Closing Date, there are no Conduit Purchasers.

“Conforming Changes” means, with respect to Daily 1M SOFR, the Term SOFR Rate or any Benchmark Replacement in relation thereto, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Yield Period,” the definition of “U.S. Governmental Securities Business Day,” timing and frequency of determining rates and making payments of interest, timing of borrowing or investment 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 decides may be appropriate to reflect the adoption and implementation of Daily 1M SOFR, the Term SOFR Rate or such 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 Daily 1M SOFR, the Term SOFR Rate or the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated EBITDA” shall (along with each defined term constituting a component thereof) have the meaning assigned to such term in the First Lien Credit Agreement as in effect on the Closing Date without giving effect to any subsequent amendment, restatement, waiver or supplement thereof or thereto unless (a) such amendment, restatement, waiver or supplement is consented to by the Administrative Agent in writing, or (b) the Administrative Agent (or an Affiliate thereof) is a lender under the First Lien Credit Agreement on or after the date of such amendment, restatement, waiver or supplement thereof.

“Contract” means, with respect to any Receivable, any and all contracts, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Receivable arises or that evidence such Receivable or under which an Obligor becomes or is obligated to make payment in respect of such Receivable.

“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.

“Covered Entity” means (a) each Seller-Related Party and each of its respective Subsidiaries, and (b) each Person that, directly or indirectly, controls a Person described in clause (a) above.

“CP Issuer” means, with respect to any Conduit Purchaser, any other Person which, in the ordinary course of its business, issues commercial paper notes, the proceeds of which commercial paper notes are made available to such Conduit Purchaser to fund such Conduit Purchaser’s business and activities (including, investments in, or loans secured by, accounts receivable and other financial assets).

“CP Notes” means short-term promissory notes (including asset-backed commercial paper) issued, or to be issued, by any Conduit Purchaser (or its related CP Issuer) to fund its business and activities (including, investments in, or loans secured by, accounts receivable and other financial assets).

“Credit and Collection Policy” means the receivables credit and collection policies and practices of the Seller-Related Parties as in effect on the Closing Date and described in Exhibit D, as modified in compliance with this Agreement.

“Daily 1M SOFR” means, for any day, the rate per annum determined by the Administrative Agent (rounded upwards, at the Administrative Agent’s discretion, to the nearest 1/100th of 1%) equal to the Term SOFR Reference Rate for such day for a one (1) month period, as published by the Term SOFR Administrator; provided, that if Daily 1M SOFR, determined as provided above, would be less than the SOFR Floor, then Daily 1M SOFR shall be deemed to be the SOFR Floor. Such rate of interest will be adjusted automatically as of each Business Day based on changes in Daily 1M SOFR without notice to the Seller.

“Daily Report” means a report regarding the Pool Receivables and the transactions contemplated hereby, substantially in the form of Exhibit E-2.

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), the interest rate per annum determined by the Administrative Agent (rounded upwards, at the Administrative Agent’s discretion, to the nearest 1/100th of 1%) equal to SOFR for the day (the “SOFR Determination Date”) that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, in each case, as such SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, at <http://www.newyorkfed.org>, or any successor source identified by the Federal Reserve Bank of New York or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the SOFR Floor, then Daily Simple SOFR shall be deemed to be the SOFR Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of “SOFR”; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Seller, effective on the date of any such change.

“Days’ Sales Outstanding” means, for any Fiscal Month, an amount computed as of the last day of such Fiscal Month equal to: (a) the average of the aggregate Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) as of the last day of each of the three most recent Fiscal Months ended on the last day of such Fiscal Month, divided by (b) (i) the aggregate initial Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) generated by the Originators during the three most recent Fiscal Months ended on the last day of such Fiscal Month, divided by (ii) 90.

“Debtor Relief Laws” means the Bankruptcy Code 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.

“Deemed Collections” has the meaning set forth in Section 3.01(d).

“Default Ratio” means the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each Fiscal Month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that became Defaulted Receivables during such Fiscal Month, by (b) the aggregate initial Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) generated by the Originators during the month that is seven (7) Fiscal Months before such Fiscal Month.

“Defaulted Receivable” means a Receivable (without duplication):

- (a) as to which any payment, or part thereof, remains unpaid for more than 181 days from the original due date for such payment;
- (b) as to which a Relief Proceeding shall have occurred with respect to the Obligor thereof or any other Person obligated thereon or owning any Related Security with respect thereto;
- (c) that has been written off the applicable Originator’s or the Seller’s books as uncollectible; or
- (d) that, consistent with the Credit and Collection Policy, should be written off the applicable Originator’s or the Seller’s books as uncollectible;

provided, however, that in each case above such amount shall be calculated without giving effect to any netting of credits that have not been matched to a particular Receivable for the purposes of aged trial balance reporting.

“Defaulting Purchaser” means, subject to Section 2.06(b), any Purchaser that (a) has failed to (i) fund all or any portion of its Investments within two (2) Business Days of the date such Investments were required to be funded hereunder unless such Purchaser notifies the Administrative Agent and the Seller in writing that such failure is the result of such Purchaser’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 or any other Purchaser any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified the Seller or the Administrative Agent 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 Purchaser’s obligation to fund an Investment hereunder and states that such position is based on such Purchaser’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Seller, to confirm in writing to the Administrative Agent and the Seller that it will comply with its prospective funding obligations hereunder (provided that such Purchaser shall cease to be a Defaulting Purchaser pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Seller), 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 Purchaser shall not be a Defaulting Purchaser solely by virtue of the ownership or acquisition of any equity interest in that Purchaser or any direct or indirect parent company thereof by an Official Body so long as such ownership interest does not result in or provide such Purchaser 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 Purchaser (or such Official Body) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Purchaser. Any determination by the Administrative Agent that a Purchaser is a Defaulting Purchaser under any one or more of

clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Purchaser shall be deemed to be a Defaulting Purchaser (subject to Section 2.06(b)) upon delivery of written notice of such determination to the Seller and each Purchaser.

“Deferred Revenue Offset Amount” means, at any time, the sum of the amounts calculated for each Pool Receivable, equal to the portion of such Pool Receivable that is subject to the performance of additional services by the Originator thereof or by the Seller (including for which the related Originator or any Affiliate thereof is holding any deposits or advance payments received by or on behalf of the related Obligor), other than (i) the billing or invoicing of such Pool Receivable in the case of an Unbilled Receivable and (ii) the obligation of such Originator with respect to standard warranties and indemnities related to the goods or services sold that gave rise to such Pool Receivable; provided that such calculation shall be conducted on a project level basis with the Deferred Revenue Offset Amount attributed to each project limited to the aggregate Outstanding Balance of Eligible Receivables arising from such project.

“Delinquency Ratio” means the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each Fiscal Month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that were Delinquent Receivables on such day, by (b) the aggregate Outstanding Balance of all Pool Receivables on such day.

“Delinquent Receivable” means a Receivable as to which any payment, or part thereof, remains unpaid for more than 90 (ninety) days from the original due date for such payment; provided, however, that such amount shall be calculated without giving effect to any netting of credits that have not been matched to a particular Receivable for the purposes of aged trial balance reporting.

“Dilution” has the meaning set forth in Section 3.01(d)(i).

“Dilution Horizon Ratio” means, for any Fiscal Month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of such Fiscal Month by dividing: (a) the sum of (i) the aggregate initial Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) generated by the Originators during such Fiscal Month, plus (ii) 50.00% of the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the preceding Fiscal Month, by (b) an amount equal to (i) the Net Receivables Pool Balance as of the last day of such Fiscal Month, plus (ii) the Deferred Revenue Offset Amount as of the last day of such Fiscal Month. Within 30 (thirty) days of the completion and the receipt by the Administrative Agent of the results of any annual audit or field exam of the Receivables and the servicing and origination practices of the Servicer and the Originators, the numerator of the Dilution Horizon Ratio may be adjusted by the Administrative Agent upon not less than ten (10) Business Days’ notice to the Seller to reflect such number of Fiscal Months as the Administrative Agent reasonably believes best reflects the business practices of the Servicer and the Originators and the actual amount of Dilution and Deemed Collections that occur with respect to Pool Receivables based on the weighted average dilution lag calculation completed as part of such audit or field exam.

“Dilution Ratio” means, for any Fiscal Month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward), computed as of the last day of each Fiscal Month by dividing: (a) the aggregate amount of Dilution during such Fiscal Month (other than any Dilution included as a portion of the Specifically Reserved Dilution Amount), by (b) the aggregate initial Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) generated by the Originators during the prior Fiscal Month.

“Dilution Reserve Percentage” means, at any time, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) the Dilution Horizon Ratio, multiplied by (b) the sum of (x) 2.00 times the average of the Dilution Ratios for the twelve (12) most recent Fiscal Months and (y) the Dilution Volatility Component.

“Dilution Volatility Component” means, for any Fiscal Month, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of:

- (a) the positive difference, if any, between: (i) the highest Dilution Ratio for any Fiscal Month during the twelve (12) most recent Fiscal Months and (ii) the average of the Dilution Ratios for such twelve (12) Fiscal Months; multiplied by
- (b) the quotient of (i) the highest Dilution Ratio for any Fiscal Month during the twelve (12) most recent Fiscal Months divided by (ii) the average of the Dilution Ratios for such twelve (12) Fiscal Months.

“Dollar,” “Dollars,” “U.S. Dollars” and the symbol “\$” means, in each case, the lawful currency of the United States of America.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

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

“Effective Federal Funds Rate” means for any day the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the “Effective Federal Funds Rate” as of the date of this Agreement; provided that if such Federal Reserve Bank (or its successor) does not

announce such rate on any day, the “Effective Federal Funds Rate” for such day shall be the Effective Federal Funds Rate for the last day on which such rate was announced. Notwithstanding the foregoing, if the Effective Federal Funds Rate as determined under any method above would be less than zero percent (0.00%), such rate shall be deemed to be zero percent (0.00%) for purposes of this Agreement.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 12.06(b)(iv), (v) and (vi) (subject to such consents, if any, as may be required under Section 12.06(b)(iii)).

“Eligible Foreign Country” means any country that is not a Sanctioned Jurisdiction.

“Eligible Foreign Obligor” means an Obligor with respect to any Receivable that is domiciled in an Eligible Foreign Country (other than the United States).

“Eligible Receivable” means, at any time, a Pool Receivable:

- (a) the Obligor of which is: (i) a U.S. Obligor or an Eligible Foreign Obligor; (ii) not an Official Body (other than a U.S. federal, state or local Official Body); (iii) not subject to any Relief Proceeding; (iv) not a Sanctioned Person; (v) not an Affiliate of any Seller-Related Party; (vi) not the Obligor with respect to Delinquent Receivables with an aggregate Outstanding Balance exceeding 50% of the aggregate Outstanding Balance of all such Obligor’s Pool Receivables; (vii) not a natural person and (viii) not a material supplier to any Originator or an Affiliate of a material supplier;
- (b) for which a Relief Proceeding shall not have occurred with respect to the Obligor thereof or any other Person obligated thereon or owning any Related Security with respect thereto;
- (c) that is denominated and payable only in Dollars or an Alternative Currency and the Obligor with respect to which (i) on or after the Post-Closing Date, has been instructed to remit Collections in respect thereof directly to a Lock-Box or Collection Account located (x) with respect to Receivables denominated and payable in Dollars, in the United States of America, or (y) with respect to Receivables denominated and payable in Euros, in the United Kingdom and (ii) has not been instructed to remit Collections in respect thereof to an Excluded Account;
- (d) that (i) with respect to any Receivable other than a Specified Receivable, does not have a due date which is more than 90 days after the original invoice date of such Receivable; and (ii) with respect to any Specified Receivable, does not have a due date which is more than the Specified Period after the original invoice date of such Specified Receivable;
- (e) that (i) arises under a Contract for the sale of goods or services in the ordinary course of the applicable Originator’s business and (ii) does not constitute a loan or other similar financial accommodation being provided by the applicable Originator;
- (f) that arises under a duly authorized Contract that (i) is in full force and effect, (ii) is governed by the law of the United States of America or of any State thereof, (iii) is a legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of

- creditors' rights generally and by general principles of equity regardless of whether enforceability is considered in a proceeding in equity or at law and (iv) the payments thereunder are free and clear of any Taxes, including withholding Taxes or deductions, or Other Taxes;
- (g) that has been transferred by an Originator to the Seller pursuant to the Transfer Agreement with respect to which transfer all conditions precedent under the Transfer Agreement have been met;
 - (h) that, together with the Contract related thereto, conforms in all material respects with all applicable Laws (including any applicable laws relating to usury, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy);
 - (i) with respect to which all consents, licenses, approvals or authorizations of, or registrations or declarations with or notices to, any Official Body or other Person required to be obtained, effected or given by an Originator in connection with the creation of such Receivable, the execution, delivery and performance by such Originator of the related Contract or the assignment thereof under the Transfer Agreement have been duly obtained, effected or given and are in full force and effect;
 - (j) that is not subject to any existing dispute, claim, litigation, right of rescission, set-off, counterclaim, any other defense against the applicable Originator (or any assignee of such Originator) or Adverse Claim, and the Obligor of which holds no right as against the applicable Originator to cause such Originator to repurchase the goods or merchandise, the sale of which shall have given rise to such Receivable;
 - (k) that satisfies all applicable requirements of the Credit and Collection Policy;
 - (l) that, together with the Contract related thereto, has not been modified, waived or restructured since its creation, except as permitted pursuant to Section 8.02;
 - (m) in which the Seller owns good and marketable title, free and clear of any Adverse Claims, and that is freely assignable (including without any consent of the related Obligor or any Official Body);
 - (n) for which the Administrative Agent (on behalf of the Secured Parties) shall have a valid and enforceable first priority perfected security interest therein and in the Related Security and Collections with respect thereto, in each case free and clear of any Adverse Claim;
 - (o) that (x) constitutes an "account" or "general intangible" (as defined in the UCC), (y) is not evidenced by instruments or chattel paper and (z) does not constitute, or arise from the sale of, as-extracted collateral (as defined in the UCC);
 - (p) that is neither a Defaulted Receivable nor a Delinquent Receivable;
 - (q) for which no Seller-Related Party has established any offset or netting arrangements (including customer deposits and advance payments (including payments relating to unearned revenues)) with the related Obligor in connection with the ordinary course of payment of such Receivable, in each case, except to the extent any portion of such Receivable's Outstanding Balance that is subject to such offset or netting arrangements is then included in the Deferred Revenue Offset Amount;
 - (r) that represents amounts earned and payable by the Obligor that are not subject to the performance of additional services by the Originator thereof or by the Seller and the related goods or merchandise shall have been shipped and/or services performed, in each

case, except to the extent that any unearned portion of such Receivable's Outstanding Balance is then included in the Deferred Revenue Offset Amount;

(s) which (i) does not arise from a sale of accounts made as part of a sale of a business or constitute an assignment for the purpose of collection only, (ii) is not a transfer of a single account made in whole or partial satisfaction of a preexisting indebtedness or an assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract and (iii) is not a transfer of an interest in or an assignment of a claim under a policy of insurance;

(t) which does not relate to the sale of any consigned goods or finished goods which have incorporated any consigned goods into such finished goods;

(u) for which the related Originator has recognized the related revenue on its financial books and records in accordance with GAAP;

(v) for which neither the related Originator nor any Affiliate thereof is holding any deposits or advance payments received by or on behalf of the related Obligor, in each case, except to the extent that the amount of any such deposits or advance payments is then included in the Deferred Revenue Offset Amount; and

(w) that, if such Receivable is an Unbilled Receivable, such Receivable is an Eligible Unbilled Receivable.

“Eligible Unbilled Receivable” means, at any time, any Unbilled Receivable for which, if its Outstanding Balance were included in the definition and calculation of Modified Days' Sales Outstanding, Modified Days' Sales Outstanding would not exceed the Maximum Unbilled Term; provided, however, for purposes of excluding any Unbilled Receivables from Modified Days' Sales Outstanding pursuant to this definition, Unbilled Receivables shall be excluded in ascending order based on their respective Outstanding Balances (with the smallest Outstanding Balances excluded first).

“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 the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

“ERISA Event” means (a) with respect to a Pension Plan, a reportable event under Section 4043 of ERISA as to which event (after taking into account notice waivers provided for in the regulations) there is a duty to give notice to the PBGC; (b) a withdrawal by the Seller or any member of the ERISA Group from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA)

or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Seller or any member of the ERISA Group from a Multiemployer Plan, notification that a Multiemployer Plan is insolvent, or occurrence of an event described in Section 4041A(a) of ERISA that results in the termination of a Multiemployer Plan; (d) the filing of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan amendment as a termination under Section 4041(e) of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (f) the determination that any Pension Plan or Multiemployer Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Seller or any member of the ERISA Group.

“ERISA Group” means, at any time, the Seller and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with the Seller, are treated as a single employer under Section 414 of the Code or Section 4001(b)(1) of ERISA.

“Erroneous Payment” has the meaning assigned to it in Section 10.13.

“Erroneous Payment Deficiency Assignment” has the meaning assigned to it in Section 10.13.

“Erroneous Payment Return Deficiency” has the meaning assigned to it in Section 10.13.

“Erroneous Payment Subrogation Rights” has the meaning assigned to it in Section 10.13.

“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” or “€” means the single currency of participating member states of the European Monetary Union.

“Event of Default” means any of the events described in Section 9.01 that is not remedied within the time provided therein (if any). For the avoidance of doubt, any Event of Default that occurs shall be deemed to be continuing at all times thereafter unless and until waived in accordance with Section 12.01.

“Excess Concentration” means the sum of the following amounts, without duplication:

- (i) the sum of the amounts calculated for each of the Obligors equal to the excess (if any) of (x) the amount equal to (A) the aggregate Outstanding Balance of the Eligible Receivables of such Obligor, minus (B) the amount (if any) then included in the Deferred

Revenue Offset Amount at such time on account of such Obligor and its Receivables, over (y) the product of (A) such Obligor's Concentration Percentage, multiplied by (B) the Aggregate Eligible Receivables Balance; plus

(ii) the excess (if any) of (x) the amount equal to (A) the aggregate Outstanding Balance of all Pool Receivables that are Unbilled Receivables minus (B) the amount (if any) then included in the Deferred Revenue Offset Amount at such time on account of such Unbilled Receivables, over (y) 60.00% of the aggregate Outstanding Balance of all Pool Receivables; plus

(iii) the excess (if any) of (x) the amount equal to (A) the aggregate Outstanding Balance of all Eligible Receivables denominated in Euros minus (B) the amount (if any) then included in the Deferred Revenue Offset Amount at such time on account of such Eligible Receivables denominated in Euros, over (y) 20.00% of the Aggregate Eligible Receivables Balance; plus

(iv) the excess (if any) of (x) the aggregate Outstanding Balance of all Pool Receivables, the Obligors of which are domiciled in the United Kingdom, over (y) 25.00% of the aggregate Outstanding Balance of all Pool Receivables; plus

(v) the excess (if any) of (x) the aggregate Outstanding Balance of all Pool Receivables, the Obligors of which are domiciled in Investment Grade Countries, other than the United Kingdom or the United States of America, over (y) 30.00% of the aggregate Outstanding Balance of all Pool Receivables; plus

(vi) the sum of the amounts determined for each applicable Investment Grade Country, other than the United Kingdom and the United States of America, in each case, equal to the excess (if any) of (x) the aggregate Outstanding Balance of all Pool Receivables, the Obligors of which are domiciled in such Investment Grade Country, over (y) 10.00% of the aggregate Outstanding Balance of all Pool Receivables; plus

(vii) the excess (if any) of (x) the aggregate Outstanding Balance of all Pool Receivables, the Obligors of which are domiciled in countries that are not Investment Grade Countries, over (y) 2.50% of the aggregate Outstanding Balance of all Pool Receivables.

“Exchange Act” means the Securities Exchange Act of 1934.

“Excluded Account” means each account listed on Schedule IV to this Agreement.

“Excluded Account Bank” means, with respect to any Excluded Account, the bank or other financial institution maintaining such Excluded Account.

“Excluded Receivable” means any Receivable (as defined without giving effect to the proviso in the definition thereof), if any, that the Seller and the Administrative Agent designate as an “Excluded Receivable” by mutual written agreement from time to time. As of the Closing Date, there are no Excluded Receivables.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Purchaser, its applicable Lending

Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Purchaser, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Purchaser with respect to an applicable interest in an Investment or Commitment pursuant to a law in effect on the date on which (i) such Purchaser acquires such interest in such Investment or Commitment (other than pursuant to an assignment request by the Seller under Section 4.04) or (ii) such Purchaser changes its lending office, except in each case to the extent that, pursuant to Section 4.03(g), amounts with respect to such Taxes were payable either to such Purchaser's assignor immediately before such Purchaser became a party hereto or to such Purchaser immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 4.03(g), and (d) any U.S. federal withholding Taxes imposed under FATCA (except to the extent imposed due to the failure of the Seller to provide documentation or information to the IRS).

“Facility Limit” means \$300,000,000 as reduced from time to time pursuant to Section 2.02(e). References to the unused portion of the Facility Limit mean, at any time, an amount equal to (x) the Facility Limit at such time, minus (y) the Aggregate Capital at such time.

“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.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“Fee Letter” has the meaning specified in Section 2.03(a).

“Fees” has the meaning specified in Section 2.03(a).

“Field Exam” means that certain field exam conducted by Durkin Group LLC and initiated prior to the Closing Date with respect to the Receivables and the servicing and origination practices of the Servicer and the Originators in connection with the transactions contemplated hereby.

“Field Exam Report” has the meaning set forth in Section 5.02(a)(i).

“Final Maturity Date” means the earlier to occur of (a) the date that is 30 (thirty) days following the Scheduled Termination Date, and (b) the Termination Date unless such Termination Date occurs solely as a result of the Scheduled Termination Date's occurrence.

“Final Payout Date” means the date on or after the Termination Date when (i) the Aggregate Capital and Aggregate Yield have been paid in full, (ii) all Seller Obligations shall have been paid in full, (iii) all other amounts owing to the Secured Parties hereunder and under

the other Transaction Documents have been paid in full and (iv) all accrued Servicing Fees have been paid in full.

“Financial Covenant” means the Performance Guarantor’s financial covenant regarding the “Total Leverage Ratio” set forth in Section 8 of the Performance Guaranty.

“First Lien Credit Agreement” means that certain Credit Agreement dated as of June 30, 2023 by and among the Parent, as the parent borrower, Fortrea UK Holdings Limited, as the initial English borrower, certain subsidiaries of the Parent, as designated revolving borrowers, Goldman Sachs Bank USA as a lender, a letter of credit issuer, a swingline lender and as agent, and the other lenders and letter of credit issuers from time to time party thereto.

“First Lien Earliest Maturity Date” means [the earliest scheduled final maturity date of any principal outstanding under the First Lien Credit Agreement or scheduled termination date of the revolving credit facility under the First Lien Credit Agreement or any similar debt or revolving credit facility that refinances or replaces the debt or revolving credit facility under the First Lien Credit Agreement.](#)

“Fiscal Month” means each calendar month.

“Fiscal Quarter” means any of the quarterly accounting periods of the Seller-Related Parties ending on March 31st, June 30th, September 30th and December 31st of each year.

“Fiscal Year” means any of the annual accounting periods of the Seller-Related Parties ending on December 31st of each year.

“Fitch” means Fitch, Inc. and any successor thereto that is a nationally recognized statistical rating organization.

“Foreign Currency Reserve Percentage” means, at any time of determination, the sum for each Alternative Currency of the quotient, expressed as a percentage, of (a) the product of (i) (x) the Outstanding Balance of Eligible Receivables denominated in such Alternative Currency minus (y) the amount (if any) then included in the Deferred Revenue Offset Amount on account of such Eligible Receivables denominated in such Alternative Currency, multiplied by (ii) the VaR Percentage for such Alternative Currency, divided by (b) the Adjusted Net Receivables Pool Balance.

“Foreign Purchaser” means a Purchaser that is not a U.S. Person.

“Fortrea” has the meaning set forth in the preamble.

“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, bonds and similar extensions of credit in the ordinary course of its activities.

“GAAP” means generally accepted accounting principles as are in effect from time to time, subject to the provisions of Section 1.03, and applied on a consistent basis both as to classification of items and amounts.

“Government Official” means any officer, employee, official, representative, or any Person acting for or on behalf of any Official Body, government-owned or government-controlled association, organization, business, or enterprise, or public international organization, any political party or official thereof and any candidate for political office.

“Group A Obligor,” “Group B Obligor” or “Group C Obligor” means any Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) with:

- (a) a short-term rating of at least “A-1” (in the case of a Group A Obligor), “A-2” (in the case of a Group B Obligor) or “A-3” (in the case of a Group C Obligor), in any case, by S&P, or if such Obligor does not have a short-term rating from S&P, a rating of at least “A+” (in the case of a Group A Obligor), “BBB+” (in the case of a Group B Obligor) or “BBB-” (in the case of a Group C Obligor), in any case, or better by S&P on such Obligor’s, its parent’s, or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and
- (b) a short-term rating of at least “P-1” (in the case of a Group A Obligor), “P-2” (in the case of a Group B Obligor) or “P-3” (in the case of a Group C Obligor), in any case, by Moody’s, or if such Obligor does not have a short-term rating from Moody’s, a rating of at least “A1” (in the case of a Group A Obligor), “Baa1” (in the case of a Group B Obligor) or “Baa3” (in the case of a Group C Obligor), in any case, or better by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities;

provided, however, if such Obligor is rated by only one of S&P or Moody’s, then such Obligor will be a Group A Obligor, Group B Obligor or Group C Obligor (as the case may be) if it satisfies either clause (a) or clause (b) above; provided, further, that if such Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) has split ratings from S&P and Moody’s, then such Obligor (or its parent or majority owner, as applicable) shall be deemed to have only the lower of the two ratings for the purpose of determining whether such Obligor satisfies clause (a) or (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of Group A Obligor, Group B Obligor or Group C Obligor (as the case may be) shall be deemed to be a Group A Obligor, Group B Obligor or Group C Obligor (as the case may be) and shall be aggregated with its parent Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage” unless such Subsidiary Obligor separately satisfies the definition of Group A Obligor, Group B Obligor or Group C Obligor (as the case may be), in which case such Obligor shall be separately treated as a Group A Obligor, Group B Obligor or Group C Obligor (as the case may be), as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are also Obligors.

“Group D Obligor” means any Obligor that is not a Group A Obligor, Group B Obligor or Group C Obligor; provided, that any Obligor (or its parent or majority owner, as applicable, if such Obligor is unrated) that is unrated by both Moody’s and S&P shall be a Group D Obligor.

“Guaranteed Obligations” has the meaning set forth in Section 2.08(a).

“Guaranty” means, with respect to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any liability or obligation of any other Person in any manner, whether directly or indirectly. The amount of obligations under a Guaranty 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 Guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the Administrative Agent in good faith.

“Historical A/R Report” has the meaning set forth in Section 5.02(a)(ii).

“Indebtedness” means, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of (a) borrowed money, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) obligations under any acceptance, letter of credit or similar facilities, (d) obligations under any currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate or currency risk management device, (e) any other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note or other evidence of indebtedness and which are not more than ninety (90) days past due), (f) any Guaranty of Indebtedness of a type referred to in clauses (a) through (e) above, and (g) all obligations of the kind referred to in clauses (a) through (f) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

“Indemnified Taxes” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Seller-Related Party under any Transaction Document and (ii) to the extent not otherwise described in the preceding clause (i), Other Taxes.

“Independent Manager” has the meaning set forth in Section 7.03(c).

“Information” has the meaning set forth in Section 12.08.

“Initial Schedule of Sold Receivables” means the schedule identifying all Sold Receivables as of the Closing Date, which list the Seller delivered to the Administrative Agent on or prior to the Closing Date.

“Intended Tax Treatment” has the meaning set forth in Section 12.11.

“International Trade Laws” means all Laws relating to economic and financial sanctions, trade embargoes, export controls, customs and anti-boycott measures.

“Investment” means any payment of Capital by a Purchaser to the Seller pursuant to Section 2.02.

“Investment Company Act” means the Investment Company Act of 1940.

“Investment Grade Country” means, at any time, a country that then has long-term foreign currency sovereign credit ratings of both “BBB-” or better by S&P and “Baa3” or better by Moody’s.

“Investment Request” means a letter in substantially the form of Exhibit A hereto delivered by the Seller to the Administrative Agent pursuant to Section 2.02(a).

“IRS” means the United States Internal Revenue Service.

“Law” means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award, or any settlement arrangement, by agreement, consent or otherwise, of any Official Body, foreign or domestic.

“LCR Security” means any commercial paper or security (other than equity securities issued to any Person that is a consolidated subsidiary of the Parent under GAAP) within the meaning of Paragraph 3.32(e)(viii) of the final rules titled Liquidity Coverage Ratio: Liquidity Risk Measurement Standards, 79 Fed. Reg. 197, 61440 et seq. (October 10, 2014).

“Lending Office” means, as to the Administrative Agent or any Purchaser, the office or offices of such Person described as such in such Purchaser’s Administrative Questionnaire, or such other office or offices as such Person may from time to time notify the Seller and the Administrative Agent.

“Lien” means any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

“Linked Account” means any controlled disbursement account, controlled balance account or other deposit account maintained by a Collection Account Bank for any Seller-

Related Party or any Affiliate thereof and linked to any Collection Account by a zero balance account connection or other automated funding mechanism or controlled balance arrangement.

“Liquidity” means the sum of (a) the Seller-Related Parties’ and their respective Subsidiaries’ aggregate consolidated cash and cash equivalents (excluding any such consolidated cash and cash equivalents that is contractually required to be set aside, segregated or otherwise reserved), plus (b) the aggregate amount of funds then available to be borrowed by the Seller-Related Parties and their respective Subsidiaries under the First Lien Credit Agreement, solely to the extent that (i) the aggregate outstanding commitments of the lenders under the First Lien Credit Agreement are then sufficient to fund such borrowing and (ii) all conditions precedent to such borrowing (other than delivery of a borrowing request or similar administrative conditions) are then satisfied.

“Liquidity Agreement” means any agreement entered into in connection with this Agreement pursuant to which a Liquidity Provider agrees to make purchases or advances to, or purchase assets from, a Conduit Purchaser in order to provide liquidity for such Conduit Purchaser’s interests hereunder.

“Liquidity Event” means and shall be deemed to have occurred, at the Administrative Agent’s sole discretion, if at any time the Liquidity is less than the Minimum Liquidity for five (5) consecutive Business Days.

“Liquidity Provider” means each bank or other financial institution that provides liquidity support to a Conduit Purchaser pursuant to a Liquidity Agreement.

“LLC Division” means, in the event a Person is a limited liability company, (a) the division of such Person into two or more newly formed limited liability companies (whether or not such Person is a surviving entity following any such division) pursuant to Section 18-217 of the Delaware Limited Liability Company Act or any similar provision under any similar act governing limited liability companies organized under the Laws of any other State or Commonwealth or of the District of Columbia, or (b) the adoption of a plan contemplating, or the filing of any certificate with any applicable Official Body that results or may result in, any such division.

“Lock-Box” means each locked postal box with respect to any Collection Account for the purpose of retrieving and processing payments made on the Receivables and which is listed on Schedule II (as such schedule may be modified from time to time in connection with the addition or removal of any Lock-Box in accordance with the terms hereof).

“Loss Horizon Ratio” means, at any time, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed by dividing:

- (a) the aggregate initial Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) generated by the Originators during the number of most recent Fiscal Months equal to the sum of eight (8) Fiscal Months, plus the Weighted Average Credit

Percentage (expressed as a percentage of Fiscal Month(s)); provided that with respect to any fraction or percentage of a Fiscal Month, the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during such fraction or percentage of a Fiscal Month shall be calculated as a percentage of the aggregate initial Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) generated by the Originators during such Fiscal Month; by

(b) an amount equal to (i) the Net Receivables Pool Balance as of such date, plus (ii) the Deferred Revenue Offset Amount as of such date.

“Loss Reserve Percentage” means, at any time, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) 2.00, multiplied by (b) the highest average of the Default Ratios for any three (3) consecutive Fiscal Months during the twelve (12) most recent Fiscal Months, multiplied by (c) the Loss Horizon Ratio.

“Material Adverse Effect” means relative to any Person (*provided* that if no particular Person is specified, “Material Adverse Effect” shall be deemed to be relative to both (i) the Seller-Related Parties (other than the Seller), taken as a whole, and (ii) the Seller, individually) with respect to any event or circumstance, a material adverse effect on any of the following:

- (a) the assets, operations, business or financial condition of such Person;
- (b) the ability of such Person to perform its obligations under this Agreement or any other Transaction Document to which it is a party;
- (c) the validity or enforceability of any material provision of this Agreement or any other Transaction Document;
- (d) the validity, enforceability, value or collectibility of any material portion of the Supporting Assets;
- (e) the status, perfection, enforceability or priority of the Administrative Agent’s security interest in the Supporting Assets;
- or
- (f) the rights and remedies of any Purchaser Party under the Transaction Documents.

“Maximum Release Amount” means, on any day of determination, the positive excess, if any, of (a) the amount of Collections then on deposit in the Cash Dominion Administration Accounts over (b) the amount of Collections then required to be on deposit in the Cash Dominion Administration Accounts on such day pursuant to Section 5.03(a) (as reasonably determined by the Administrative Agent).

“Maximum Unbilled Term” means the sum of (a) Days’ Sales Outstanding plus (b) ninety (90) days; provided that the Administrative Agent may, in its discretion with not less than thirty (30) days’ prior notice to the Seller, change the number of days in clause (b) above to any number of days less than ninety (90) and greater than or equal to thirty (30).

“Minimum Dilution Reserve Percentage” means, at any time, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) the average of the Dilution Ratios for the twelve (12) most recent Fiscal Months, multiplied by (b) the Dilution Horizon Ratio.

“Minimum Funding Threshold” means, on any day, an amount equal to the lesser of (a) the product of (i) 80%, times (ii) the Facility Limit at such time and (b) the Capital Coverage Amount at such time.

“Minimum Liquidity” means \$250,000,000.

“Modified Days’ Sales Outstanding” means, for any Fiscal Month, an amount computed as of the last day of such Fiscal Month equal to: (a) the average Outstanding Balance of all Pool Receivables (including Unbilled Receivables) as of the last day of each of the three most recent Fiscal Months ended on the last day of such Fiscal Month, divided by (b) (i) the aggregate initial Outstanding Balance of all Pool Receivables (other than Unbilled Receivables) originated by the Originators during the three most recent Fiscal Months ended on the last day of such Fiscal Month, divided by (ii) 90.

“Monthly Report” means a report regarding the Pool Receivables and the transactions contemplated hereby, substantially in the form of Exhibit E-1.

“Monthly Settlement Date” means the 20th day of each calendar month (or if such day is not a Business Day, the next occurring Business Day).

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto that is a nationally recognized statistical rating organization.

“Multiemployer Plan” means any employee pension benefit plan which is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA and to which the Seller or any member of the ERISA Group is then making or accruing an obligation to make contributions or, within the preceding five (5) plan years, has made or had an obligation to make such contributions, or to which the Seller or any member of the ERISA Group has any liability (contingent or otherwise).

“Net Receivables Pool Balance” means, at any time: (a) the Aggregate Eligible Receivables Balance, minus (b) the Excess Concentration.

“Non-Consenting Purchaser” means any Purchaser that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Purchasers in accordance with the terms of Section 12.01 and (b) has been approved by the Required Purchasers.

“Non-Defaulting Purchaser” means, at any time, each Purchaser that is not a Defaulting Purchaser at such time.

“Obligor” means, with respect to any Receivable, the Person obligated to make payments pursuant to the Contract relating to such Receivable.

“Obligor Percentage” means, at any time, for each Obligor, a fraction, expressed as a percentage, (a) the numerator of which is the aggregate Outstanding Balance of the Eligible Receivables of such Obligor and its Affiliates less the amount(s) (if any) then included in the calculation of the Deferred Revenue Offset Amount and the Excess Concentration with respect to

such Obligor and its Affiliates and (b) the denominator of which is the Aggregate Eligible Receivables Balance at such time.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Official Body” means the government of the United States of America or of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“Originator” means each Person from time to time party to the Transfer Agreement as an “Originator” thereunder.

“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 Transaction Document, or sold or assigned an interest in any Investment or Transaction 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 Transaction Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 4.04).

“Outstanding Balance” means, at any time, with respect to any Receivable, the then outstanding principal balance thereof.

“Overnight Bank Funding Rate” means for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the Federal Reserve Bank of New York (or by such other recognized electronic source (such as Bloomberg) selected by the Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for

any reason, no longer exist, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. Such rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Seller.

“Parent” means Fortrea Holdings Inc., a Delaware corporation.

“Parent Group” has the meaning set forth in Section 7.03(c).

“Participant” has the meaning set forth in Section 12.06(d).

“Participant Register” has the meaning set forth in Section 12.06(d).

“Payment Recipient” has the meaning assigned to it in Section 10.13.

“PBGC” means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

“Pension Plan” means at any time an “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA) (including a “multiple employer plan” as described in Sections 4063 and 4064 of ERISA, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 or Section 430 of the Code and either (a) is sponsored, maintained or contributed to by any member of the ERISA Group for employees of any member of the ERISA Group, (b) has at any time within the preceding five years been sponsored, maintained or contributed to by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group, or in the case of a “multiple employer” or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years or (c) or to which the Seller or any member of the ERISA Group may have any liability (contingent or otherwise).

“Performance Guarantor” means the Parent.

“Performance Guaranty” means the Performance Guaranty, dated as of the Closing Date, by the Performance Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties.

“Permitted Linked Account” means, collectively, that certain (i) Wells Fargo Bank, N.A. account number ending 4001 and (ii) Citibank, N.A. account number ending 0979.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Official Body or other entity.

“PINACLE” means PNC’s PINACLE® auto-advance service or any similar or replacement electronic loan administration service implemented by PNC.

“PINACLE Agreement” means a separate written agreement between Seller and PNC regarding PINACLE, and any amendments, modifications or replacements thereof.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Seller or any member of the ERISA Group or any such Plan to which the Seller or any member of the ERISA Group is required to contribute on behalf of any of its employees.

“Platform” means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“PNC” has the meaning set forth in the preamble to this Agreement.

“Pool Receivable” means a Receivable in the Receivables Pool.

“Pool Report” means each Monthly Report and Weekly Report.

“Post-Closing Date” means the date that is sixty (60) days following the Closing Date (or such later date, if any, consented to in writing by the Administrative Agent in its sole discretion).

“Potential Default” means any event or condition which with notice or passage of time, or both, would constitute an Event of Default.

“Prime Rate” means the interest rate per annum announced from time to time by the Administrative Agent at its main offices in Pittsburgh, Pennsylvania as its then prime rate, which rate may not be the lowest or most favorable rate then being charged to commercial borrowers or others by the Administrative Agent and may not be tied to any external rate of interest or index. Any change in the Prime Rate shall take effect at the opening of business on the day such change is announced.

“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.

“Purchasers” means the financial institutions named on Schedule I and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a Purchaser.

“Purchaser Party” means each Purchaser, the Structuring Agent and the Administrative Agent.

“Qualifying Report” has the meaning set forth in Section 8.03(c).

“Rating Agency” means each of S&P, Fitch and Moody’s (and/or each other nationally recognized statistical rating organization then rating the CP Notes of any Conduit Purchaser).

“Ratings Event” means and shall be deemed to have occurred and to be continuing at any time if: (a) the Parent’s long-term corporate family, or corporate (or equivalent) rating or long-term senior unsecured debt rating by S&P is below “B+”, (b) the Parent’s long-term corporate

[family, or corporate \(or equivalent\) rating or long-term senior unsecured debt rating by Moody's is below "B1", or \(c\) either S&P or Moody's is not then issuing or maintaining long-term corporate family or corporate \(or equivalent\) rating or long-term senior unsecured debt rating with respect to the Parent.](#)

“Receivable” means any right to payment of a monetary obligation, whether or not earned by performance, owed to any Originator, the Seller (as assignee of an Originator) or the Administrative Agent (on behalf of the Purchasers and as assignee of the Seller), whether constituting an account, chattel paper, payment intangible, instrument or general intangible, in each instance arising in connection with the Originator’s sale of goods that have been or are to be sold or for services rendered or to be rendered by or on behalf of the Originator, and includes the obligation of the Obligor thereunder to pay any related service charges, finance charges, interest, fees and other charges with respect thereto; provided, however, that no Excluded Receivable shall constitute a “Receivable”. Any such right to payment arising from any one transaction, including any such right to payment represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of any such right to payment arising from any other transaction.

“Receivables Pool” means, at any time, all of the then outstanding Receivables transferred (or purported to be transferred) to the Seller pursuant to the Transfer Agreement (including both Sold Receivables and Unsold Receivables).

“Recipient” means (a) the Administrative Agent and (b) any Purchaser, as applicable.

“Reduction Notice” means a letter in substantially the form of Exhibit B hereto delivered by the Seller to the Administrative Agent pursuant to Section 2.02(d).

“Register” has the meaning set forth in Section 12.06(c).

“Related Committed Purchaser” means, with respect to any Conduit Purchaser, the Committed Purchaser specified as its Related Committed Purchaser in this Agreement or in the agreement pursuant to which such Committed Purchaser became a party hereto in such capacity with the written agreement of such Conduit Purchaser, such Committed Purchaser, the Seller and the Administrative Agent.

“Related Conduit Purchaser” means, with respect to any Committed Purchaser, the Conduit Purchaser (if any) for which it is a Related Committed Purchaser.

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

“Related Rights” has the meaning set forth in the Transfer Agreement.

“Related Security” means, with respect to any Receivable:

- (a) all of the Seller's and each Originator's interest in any goods (including Returned Goods), and documentation of title evidencing the shipment or storage of any goods (including Returned Goods), the sale of which gave rise to such Receivable;
- (b) all instruments and chattel paper that may evidence such Receivable;
- (c) all letter of credit rights, other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all UCC financing statements or similar filings relating thereto;
- (d) all of the Seller's and each Originator's rights, interests and claims under the related Contracts and all guaranties, indemnities, insurance and other agreements (including the related Contract) or arrangements of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable, whether pursuant to the Contract related to such Receivable or otherwise;
- (e) all books and records of the Seller and each Originator to the extent related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest (but not obligations) in and to each Lock-Box, Collection Account and Cash Dominion Administration Account, into which any Collections or other proceeds with respect to such Receivables may be deposited, and any related investment property acquired with any such Collections or other proceeds (as such term is defined in the applicable UCC);
- (f) all of the Seller's rights, interests and claims under the Transfer Agreement and the other Transaction Documents; and
- (g) all Collections and other proceeds (as defined in the UCC) of such Receivable or any of the foregoing.

“Release” has the meaning set forth in Section 3.01(a).

“Relief Proceeding” means any proceeding seeking a decree or order for relief in respect of any Seller-Related Party or Subsidiary of a Seller-Related Party in a voluntary or involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Seller-Related Party or Subsidiary of a Seller-Related Party for any substantial part of its property, or for the winding-up or liquidation of its affairs, or an assignment for the benefit of its creditors.

“Removal Effective Date” has the meaning set forth in Section 10.06(b).

“Reportable Compliance Event” means that: (a) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint, or similar charging instrument, arraigned, custodially detained, penalized or the subject of an assessment for a penalty, by, or enters into a settlement with an Official Body in connection with any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or any predicate crime to any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (b) any Covered Entity engages in a transaction that has caused or would cause any Person hereunder (including any Purchaser Party and any underwriter,

advisor, investor, or otherwise) to be in violation of any International Trade Law or Anti-Corruption Law, including a Covered Entity's use of any proceeds of the Investments hereunder to directly or indirectly fund any activities or business of, with, or for the benefit of any Person that is a Sanctioned Person, or to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction; (c) any Supporting Assets qualifies as Blocked Property; or (d) any Covered Entity otherwise violates, or reasonably believes that it will violate, any of the International Trade Law- or Anti-Corruption Law-specific representations and covenants herein.

“Required Capital Amount” means, at any time, the product of 15.00% and the Net Receivables Pool Balance.

“Required Purchasers” means:

(a) if there exists fewer than two (2) Purchasers, all Purchasers (other than any Defaulting Purchaser); and

(b) if there exist two (2) or more Purchasers, Purchasers (other than any Defaulting Purchaser) having more than 50% (fifty percent) of the aggregate amount of the Commitments of the Purchasers (excluding any Defaulting Purchaser) or, after termination of the Commitments, the outstanding Capital of the Purchasers (excluding any Defaulting Purchaser).

“Resignation Effective Date” has the meaning set forth in Section 10.06(a).

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

“Restricted Payments” has the meaning set forth in Section 7.01(r).

“Restricted Subsidiaries” shall have the meaning assigned to such term in the First Lien Credit Agreement as in effect on the Closing Date without giving effect to any subsequent amendment, restatement, waiver or supplement thereof or thereto unless (a) such amendment, restatement, waiver or supplement is consented to by the Administrative Agent in writing, or (b) the Administrative Agent (or an Affiliate thereof) is a lender under the First Lien Credit Agreement on or after the date of such amendment, restatement, waiver or supplement thereof.

“Returned Goods” means all right, title and interest in and to returned, repossessed or foreclosed goods and/or merchandise the sale of which gave rise to a Receivable.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and any successor thereto that is a nationally recognized statistical rating organization.

“Sanctioned Jurisdiction” means, at any time, a country, area, territory, or jurisdiction that is the subject or target of comprehensive U.S. sanctions.

“Sanctioned Person” means any Person that is (a) located in, organized under the laws of, or ordinarily resident in a Sanctioned Jurisdiction; (b) identified on any sanctions-related list

maintained by any Compliance Authority; or (c) owned 50% or more, in the aggregate, directly or indirectly by, controlled by, or acting for, on behalf of, or at the direction of, one or more Persons described in clauses (a) or (b) above.

“Scheduled Termination Date” means ~~May 6~~ February 23, 2027 ~~2029~~.

“SEC” means the U.S. Securities and Exchange Commission or any governmental agencies substituted therefor.

“Second Amendment Effective Date” means February 24, 2026.

“Secured Parties” means each Purchaser Party, each Seller Indemnified Party and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 10.05 .

“Seller” has the meaning specified in the preamble to this Agreement.

“Seller Collateral” has the meaning set forth in Section 2.08(i)(i).

“Seller Guaranty” has the meaning set forth in Section 2.08(a).

“Seller Indemnified Amounts” has the meaning set forth in Section 11.02.

“Seller Indemnified Party” has the meaning set forth in Section 11.02.

“Seller Obligations” means all present and future indebtedness, reimbursement obligations, and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Seller to any Secured Party, arising under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, and shall include all Capital and Yield, all Fees and all other amounts due or to become due under the Transaction Documents (whether in respect of fees, costs, expenses, indemnifications or otherwise), including interest, yield, fees and other obligations that accrue after the commencement of any Relief Proceeding with respect to the Seller (in each case whether or not allowed as a claim in such proceeding).

“Seller-Related Party” means each of the Seller, the Servicer, the Performance Guarantor, the Parent, the Originators and any other Affiliate of the Parent from time to time party to any Transaction Document.

“Seller’s Net Worth” means, at any time, an amount equal to (i) the aggregate Outstanding Balance of all Pool Receivables at such time, minus (ii) the sum of (A) the Aggregate Capital at such time, plus (B) the Aggregate Yield at such time, plus (C) the aggregate accrued and unpaid Fees at such time, plus (D) the aggregate outstanding principal balance of all Subordinated Loans at such time, plus (E) the aggregate accrued and unpaid interest on all Subordinated Loans at such time, plus (F) without duplication, the aggregate accrued and unpaid other Seller Obligations at such time.

“Senior Secured Notes Indenture” means that certain Indenture dated as of June 27, 2023 by and among the Parent and U.S. Bank Trust Company, National Association, as trustee and as collateral agent.

“Servicer” means Fortrea.

“Servicer Indemnified Amounts” has the meaning set forth in Section 11.03.

“Servicer Indemnified Party” has the meaning set forth in Section 11.03.

“Servicing Fee” means the fee referred to in Section 8.06(a).

“Servicing Fee Rate” means 1.00% per annum.

“Settlement Date” means (i) so long as no Event of Default has occurred and is continuing and the Termination Date has not occurred, each Monthly Settlement Date and (ii) on and after the Termination Date or if an Event of Default has occurred and is continuing, each day selected from time to time by the Administrative Agent (it being understood that the Administrative Agent may select such Settlement Date to occur as frequently as daily), or, in the absence of such selection, the Monthly Settlement Date.

“SOFR” means, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Adjustment” means ten basis points (0.10%).

“SOFR Floor” means a rate of interest per annum equal to zero basis points (0.00%).

“Sold Assets” has the meaning set forth in Section 2.01(b).

“Sold Receivables” means, collectively, (i) the Pool Receivables specified as “Sold Receivables” on the Initial Schedule of Sold Receivables, (ii) all additional Pool Receivables specified as “Sold Receivables” on the Investment Requests delivered with respect to all subsequent Investments made hereunder and (iii) all additional Pool Receivables designated as “Sold Receivables” and transferred by the Seller pursuant to Section 2.01(b) in connection with a Release as contemplated by the first paragraph in Section 3.01(a).

“Solvent” means, with respect to any Person on any date of determination, taking into account any right of reimbursement, contribution or similar right available to such Person from other Persons, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such

Person's ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specifically Reserved Dilution Amount" means, at any time, the aggregate amount of reserves or liabilities set forth on the balance sheet and books and records of the Seller-Related Parties related to, or in anticipation of, customer rebates, incentives and similar credits, deductions or reductions with respect to Pool Receivables, in each case to the extent such amounts have not been applied at such time to reduce the Outstanding Balance of the affected Pool Receivables at such time, which aggregate amount, as of the Closing Date, is reported on the Seller-Related Parties' balance sheet and books and records as the "rebate accrual".

"Specified Period" has the meaning provided in the Fee Letter that specifies the Purchasers' "Drawn Fees" and "Undrawn Fees."

"Specified Receivable" has the meaning provided in the Fee Letter that specifies the Purchasers' "Drawn Fees" and "Undrawn Fees."

"Statements" has the meaning set forth in Section 6.01(ff).

"Structuring Agent" means PNC Capital Markets LLC, a Pennsylvania limited liability company.

"Sub-Servicer" has the meaning set forth in Section 8.01(d).

"Subordinated Loan" has the meaning set forth in the Transfer Agreement.

"Subordinated Loan Agreement" has the meaning set forth in the Transfer Agreement.

"Subsidiary" means, as to any Person, any corporation, trust, partnership, limited liability company or other business entity (a) of which more than 50% of the outstanding voting securities or other interests normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's Subsidiaries, or (b) which is Controlled or capable of being Controlled by such Person or one or more of such Person's Subsidiaries.

"Supporting Assets" means all Sold Assets and all Seller Collateral.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Official Body, including any interest, additions to tax or penalties applicable thereto.

“Termination Date” means the earliest to occur of (a) the Scheduled Termination Date, (b) ninety (90) days prior to the First Lien Earliest Maturity Date, (c) the date on which the Facility Limit is terminated in whole pursuant to Section 2.02(e), (ed) the date on which the “Termination Date” is declared or deemed to have occurred under Section 9.02 and (de) the date on which all Commitments have been reduced to zero.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“Term SOFR Rate” means, with respect to any amount for which the Term SOFR Reference Rate applies, for any day in any Yield Period, the interest rate per annum determined by the Administrative Agent (rounded upwards, at the Administrative Agent’s discretion, to the nearest 1/100th of 1%) equal to the Term SOFR Reference Rate for a term of one month, as such rate is published by the Term SOFR Administrator, on the day (the “Term SOFR Determination Date”) that is two (2) Business Days prior to the first day of such Yield Period, as such rate is published by the Term SOFR Administrator. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Term SOFR Reference Rate shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above, would be less than the SOFR Floor, then the Term SOFR Rate shall be deemed to be the SOFR Floor.

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“Test Period” means, for any date of determination, the latest four consecutive Fiscal Quarters of the Parent for which financial statements have been delivered to the Administrative Agent on or prior to the Closing Date and/or for which financial statements have been delivered pursuant to Section 7.01(c)(iii) or 7.01(c)(iv), as applicable.

“Threshold Amount” means an amount equal to the greater of (x) \$125,000,000 and (y) 30.0% of Consolidated EBITDA (determined as of the end of the most recently completed Test Period).

“Total Reserves” means, at any time, an amount equal to the product of (a) the sum of: (i) the Yield Reserve Percentage, plus (ii) the Foreign Currency Reserve Percentage, plus (iii) the greater of (x) the sum of the Concentration Reserve Percentage, plus the Minimum Dilution Reserve Percentage and (y) the sum of the Loss Reserve Percentage, plus the Dilution Reserve Percentage, times (b) the Adjusted Net Receivables Pool Balance at such time.

“Transaction Documents” means this Agreement, the Transfer Agreement, the Account Control Agreements, each Fee Letter, each Subordinated Loan Agreement, the Performance Guaranty, the UK Security Agreement, and all other certificates, instruments, UCC financing

statements, reports, notices, agreements and documents executed or delivered under or in connection with this Agreement.

“Transaction Information” means any information provided to any Rating Agency, in each case, to the extent related to such Rating Agency providing or proposing to provide a rating of any CP Notes or monitoring such rating, including information in connection with the Seller, the Originators, the Servicer, the Receivables or the transactions contemplated hereby.

“Transfer Agreement” means the Sale and Contribution Agreement, dated as of the Closing Date, among the Servicer, the Originators and the Seller.

“Transfer Termination Event” means the occurrence of any event or circumstance (including the occurrence of the “Sale and Contribution Termination Date” under the Transfer Agreement) that causes any Originator to cease selling or contributing Receivables to the Seller thereunder; provided, however, that an Originator ceasing to be a party to a Transfer Agreement with the prior written consent of the Seller and the Administrative Agent shall not constitute a Transfer Termination Event.

“UCC” means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

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

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

“UK Security Agreement” means an English law security agreement to be entered into between the Seller and the Administrative Agent pursuant to Section 7.04.

“Unbilled Receivable” means, at any time, any Receivable as to which the invoice or bill with respect thereto has not yet been sent to the Obligor thereof.

“Undrawn Fee” has the meaning set forth in the Fee Letters.

“Unsold Receivables” means, at any time, all Pool Receivables that are not then Sold Receivables.

“USA PATRIOT Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

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

“U.S. Obligor” means an Obligor that is a corporation or other business organization and is organized under the laws of the United States of America (or of a United States of America territory, district, state, commonwealth, or possession, including, Puerto Rico and the U.S. Virgin Islands) or any political subdivision thereof.

“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 set forth in Section 4.03(g)(ii)(2)(III).

“VaR Percentage” means, with respect to: (i) Euros, 8.00% or (ii) such other value-at-risk-percentage with respect to the applicable Alternative Currency designated by the Administrative Agent from time to time by not less than five Business Days’ prior written notice to the Seller.

“Volcker Rule” means Section 13 of the U.S. Bank Holding Company Act of 1956 and the applicable rules and regulations thereunder.

“Weekly Report” means a report regarding the Pool Receivables and the transactions contemplated hereby, substantially in the form of Exhibit E-3.

“Weekly Reporting Date” means the second Business Day of each calendar week.

“Weekly Reporting Period” means any period (a) beginning on the thirtieth (30th) calendar day after the date, if any, on which the Administrative Agent delivers a notice in writing to the Seller that it is then requiring the delivery of Weekly Reports hereunder; provided, however, that no such notice shall be effective for such purpose unless a Liquidity Event has occurred, and (b) ending on the first date thereafter (if any) on which Liquidity has exceeded Minimum Liquidity for (i) if no other Liquidity Event has occurred and been cured within the last twelve (12) months, thirty (30) consecutive days, and (ii) if any other Liquidity Event has occurred and been cured within the last twelve (12) months, sixty (60) consecutive days.

“Weighted Average Credit Percentage” means, at any time, the greater of (i) 0.0% and (ii) the percentage determined pursuant to the following formula:

$$(WACT - 30) / 30$$

where:

WACT = the Weighted Average Credit Terms for the most recently ended Fiscal Month.

“Weighted Average Credit Terms” means for any Fiscal Month, the weighted average (weighted based on the Outstanding Balance) payment terms (computed in days and calculated based on the difference between the original invoice date and the stated due date for payment) of invoices for all Eligible Receivables (other than Eligible Unbilled Receivables) in the Receivables Pool as of the last day of such Fiscal Month.

“Withholding Agent” means any Seller-Related Party 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.

“Yield” means, for any Capital, the amount of interest or yield accrued on such Capital in accordance with this Agreement.

“Yield Period” means, with respect to any Capital or fees payable hereunder (or any portion thereof), (a) before the Termination Date: (i) initially, the period commencing on the date such Capital is funded through an Investment hereunder (or in the case of ~~any such fees payable hereunder~~, commencing on the Closing Date) and ending on ~~(but not including) the next Monthly Settlement Date~~ last day of the calendar month in which such Capital was funded and (ii) thereafter, each period commencing on ~~a Monthly Settlement Date~~ (and including) the first day of a calendar month and ending on ~~(but not including) the next Monthly Settlement Date~~ last day of such calendar month and (b) on and after the Termination Date, such period (including a period of one day) as shall be selected from time to time by the Administrative Agent or, in the absence of any such selection, each period ~~commencing on a Monthly Settlement Date and ending on (but not including) the next Monthly Settlement~~ pursuant to clause (a) above notwithstanding the occurrence of the Termination Date.

“Yield Rate” means, subject to Sections 2.03 and 2.04, for any day in any Yield Period for any Capital (or portion thereof):

(a) ~~if not~~unless an Event of Default is then continuing and the Administrative Agent has ~~not~~ elected (in its sole discretion) for the Yield Rate for such Capital (or all Capital) to be determined pursuant to clause (b) below, the sum of (i) either (x) if the Seller has elected (or deemed to have elected) for such Capital (or such portion of Capital) to accrue interest by reference to the Term SOFR Rate during such Yield Period in accordance with Section 2.03(d)(i), the Term SOFR Rate for such Yield Period, or (y) ~~if the Seller has elected for such Capital (or any portion of Capital thereof) to accrue interest by reference to~~otherwise, Daily 1M SOFR ~~during such Yield Period in accordance with Section 2.03(d)(i)~~, plus (ii) the SOFR Adjustment; or

(b) if an Event of Default is then continuing and the Administrative Agent elects (in its sole discretion) for the Yield Rate for such Capital (or all Capital) to be determined pursuant to this clause (b), the greater of (x) the sum of the Daily 1M SOFR plus the SOFR Adjustment, and (y) the Base Rate (in either case, plus any additional margin or spread imposed pursuant to Section 2.03(f)).

For the avoidance of doubt, any election by the Administrative Agent pursuant to clause (b) above shall have immediate effect, and if any Capital is converted to, or deemed to be, a Base Rate Capital pursuant to the terms hereof, the Yield Rate for such Capital shall be the Base Rate as in effect from time to time (plus any additional margin or spread imposed pursuant to Section 2.03(f)).

“Yield Reserve Percentage” means at any time:

$$\frac{1.50 \times \text{DSO} \times (\text{BR} + \text{SFR})}{360}$$

where:

BR = the Base Rate at such time;

DSO = the Modified Days’ Sales Outstanding for the most recently ended Fiscal Month; and

SFR = the Servicing Fee Rate.

SECTION 1.02 Construction. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement and each of the other Transaction Documents: (a) references to the plural include the singular, the plural, the part and the whole and the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”; (b) the word “will” shall be construed to have the same meaning and effect as the word “shall”; (c) the words “hereof,” “herein,” “hereunder,” “hereto” and similar terms in this Agreement or any other Transaction Document refer to this Agreement

or such other Transaction Document as a whole; (d) article, section, subsection, clause, schedule and exhibit references are to this Agreement or other Transaction Document, as the case may be, unless otherwise specified; (e) reference to any Person includes such Person's successors and assigns; (f) reference to this Agreement, any other Transaction Document or the First Lien Credit Agreement, means this Agreement, such other Transaction Document or the First Lien Credit Agreement, as the case may be, together with the schedules and exhibits hereto or thereto, as amended, modified, replaced, substituted for, superseded or restated from time to time (subject to any restrictions thereon specified in this Agreement, the other applicable Transaction Document or the First Lien Credit Agreement, as the case may be); (g) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding," and "through" means "through and including"; (h) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time; (i) 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; (j) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (k) section headings herein and in each other Transaction Document are included for convenience and shall not affect the interpretation of this Agreement or such Transaction Document; and (l) unless otherwise specified, all references herein to times of day shall constitute references to Eastern Time.

SECTION 1.03 Accounting Principles; Changes in GAAP. Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement shall be made and prepared in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP as in effect on the Closing Date applied on a basis consistent with those used in preparing the Statements referred to in Section 6.01(ff). Notwithstanding the foregoing, if at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Transaction Document, and either the Seller or the Required Purchasers shall so request, the Administrative Agent, the Purchasers and the Seller 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 Purchasers); 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 Seller shall provide to the Administrative Agent financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Statements referred to in Section 6.01(ff) for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above. For the avoidance of doubt, this Section 1.03 and any changes in GAAP or other accounting principles contemplated by this Section shall not affect or modify any computation or determination of the Days' Sales Outstanding, Default Ratio, Delinquency Ratio, Dilution Ratio, Total Reserves or any input to, or component of, any of the foregoing.

SECTION 1.04 Benchmark Replacement Notification; Rates. Section 2.04(d) provides a mechanism for determining an alternative rate of interest in the event that any Benchmark is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, (a) the continuation of, the administration, submission or any other matter related to any Benchmark or any component definition thereof or rates referred to in the definition thereof, or any alternative or successor rate thereto, or replacement rate therefor (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of any Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Seller or any other person or entity. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Seller, any Purchaser or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE II

TERMS OF THE INVESTMENTS

SECTION 2.01 Purchase Facility.

(a) Investments. Upon a request by the Seller pursuant to Section 2.02, and on the terms and subject to the conditions hereinafter set forth, the Committed Purchasers shall, ratably in accordance with their respective Commitments, severally and not jointly, make (or cause its Related Conduit Purchaser to make) payments of Capital to the Seller from time to time during the period from the Closing Date to the Termination Date. Each such payment of Capital by a Purchaser to the Seller shall constitute an Investment hereunder for all purposes. Under no circumstances shall any Purchaser be obligated to make any such Investment if any applicable condition precedent set forth in Section 5.02 is not satisfied with respect to such Investment. No Conduit Purchaser shall have any obligation to fund or maintain any Investment (or portion thereof) at any time, and if any Conduit Purchaser declines or fails to fund any Investment (or portion thereof) requested of it (which any Conduit Purchaser may do in its sole discretion) and the conditions precedent to the funding of such Investment hereunder are satisfied, then such Conduit Purchaser's Related Committed Purchaser shall fund such Investment (or the applicable portion thereof).

(b) Sale of Receivables and Other Sold Assets. In consideration of the Purchasers' respective agreements to make Investments in accordance with the terms hereof, the

Seller, on the Closing Date and each date on which an Investment or Release occurs, hereby sells, assigns and transfers to the Administrative Agent (for the ratable benefit of the Purchasers according to their Capital as increased or reduced from time to time hereunder), all of the Seller's right, title and interest in, to and under all of the following, whether now or hereafter owned, existing or arising (collectively, the "Sold Assets"): (i) all Sold Receivables, (ii) all Related Security with respect to the Sold Receivables and (iii) all proceeds of the foregoing. Such sales, assignments and transfers by the Seller shall, in each case, occur and be deemed to occur for all purposes in accordance with the terms hereof automatically without further action, notice or consent of any party.

(c) Intended Characterization as a Purchase and Sale. It is the intention of the parties to this Agreement that each transfer and conveyance of the Seller's right, title and interest in, to and under the Sold Assets to the Administrative Agent (for the ratable benefit of the Purchasers according to their Capital as increased or reduced from time to time hereunder) pursuant to this Agreement shall constitute a purchase and sale (and not only a pledge for collateral security), and such purchase and sale of the Sold Assets hereunder shall be treated as a sale for all purposes (except as provided in Sections 2.01(d), 2.02(d) and 12.11). For the avoidance of doubt, this clause (c) shall not be construed to limit or otherwise modify Section 2.02(d), 2.07 or 2.08 or any rights, interests, liabilities or obligations of any party hereunder or under any other Transaction Document.

(d) Obligations Not Assumed. Notwithstanding any provision contained in this Agreement or any other Transaction Document to the contrary, the foregoing sale, assignment, transfer and conveyance set forth in Section 2.01(b) does not constitute, and is not intended to result in, the creation or an assumption by the Administrative Agent or any Purchaser of any obligation or liability of the Seller, any Originator, the Servicer, or any other Person under or in connection with all, or any portion of, any Sold Assets, all of which shall remain the obligations and liabilities of the Seller, the Originators, the Servicer and such other Persons, as applicable.

(e) Selection, Designation and Reporting of Sold Receivables. The Seller (or the Servicer on its behalf) shall select and identify from the Pool Receivables all Sold Receivables to be sold pursuant to Section 2.01(b) in its sole discretion; provided, however, that (i) the Seller shall select Sold Receivables from the Pool Receivables and the Seller shall transfer pursuant to Section 2.01(b) 100% of its interest in such Sold Receivables, and (ii) the Seller shall not select Sold Receivables in a manner that results in the aggregate Outstanding Balance of Sold Receivables exceeding the Aggregate Capital. The Seller shall maintain (or cause the Servicer to maintain) books and records sufficient to readily identify the Sold Receivables. The Seller and Servicer shall cause (i) all Sold Receivables to be identified on each Investment Request in accordance with Section 2.02(a) and (ii) the aggregate Outstanding Balance of each Obligor's Sold Receivables to be identified on each Monthly Report delivered hereunder.

SECTION 2.02 Making Investments; Repayment of Investments.

(a) Each Investment hereunder shall be made at the written request of the Seller delivered to the Administrative Agent in the form of an Investment Request attached hereto as Exhibit A; provided that, at any time when PNC (or an Affiliate thereof) is both the Administrative Agent and the sole Purchaser hereunder and the Seller has entered into a PINACLE Agreement, then any request for an Investment made by the Seller using PINACLE shall constitute an Investment Request.

Each Investment Request (1) shall be made by Seller no later than (x) in the case of an Investment Request made pursuant to PINACLE, ~~3:00 p.m.~~4:00 p.m. Eastern Time on the proposed date of such Investment, or (y) in the case of any other Investment Request, ~~1:00 p.m.~~12:00 noon Eastern Time on the proposed date of such Investment; provided that any Investment Request made after such applicable time shall be deemed to have been made on the following Business Day, and (2) shall specify (i) the amount of Capital requested (which shall not be less than \$1,000,000 and shall be an integral multiple of \$100,000), (ii) other than for an Investment Request made pursuant to PINACLE, the allocation of such amount among the Purchasers, which shall be ratable based on the Commitments, (iii) the account to which the proceeds of such Investment shall be distributed and (iv) the date such requested Investment is to be made, which shall be a Business Day. If an Investment Request is deemed to have been made on the following Business Day pursuant to the parentheticals above and such Investment Request requests an Investment to be made prior to such following Business Day, such Investment Request shall be deemed to request that such Investment be made on such following Business Day.

(b) On the date of each Investment specified in the applicable Investment Request, the Committed Purchasers (ratably in accordance with their respective Commitments) shall, upon satisfaction of the applicable conditions set forth in Section 5.02 and pursuant to the other conditions set forth herein, make (or cause their respective Related Conduit Purchasers, if any, to make) available to the Seller in same day funds an aggregate amount (which shall constitute the Capital of such Investment) equal to the amount of such Investment requested, at the account set forth in the related Investment Request.

(c) Each Purchaser's obligation shall be several, such that the failure of any Purchaser to make available to the Seller any funds in connection with any Investment shall not relieve any other Purchaser of its obligation, if any, hereunder to make funds available on the date such Investment is requested (it being understood, that no Purchaser, other than a Committed Purchaser with respect to its Related Conduit Purchaser, if any, shall be responsible for the failure of any other Purchaser to make funds available to the Seller in connection with any Investment hereunder).

(d) The Seller shall repay in full the outstanding Capital, together with all accrued and unpaid Yield, Fees and other Seller Obligations on the Final Maturity Date. Prior thereto, the Seller shall, on each Settlement Date and not later than two (2) Business Days after delivery of any Pool Report that demonstrates the existence of a Capital Coverage Amount

Deficit, make a prepayment of the outstanding Capital of the Purchasers to the extent required to eliminate any Capital Coverage Amount Deficit and as otherwise required under [Section 3.01](#). Notwithstanding the foregoing, the Seller, in its discretion, shall have the right to make a prepayment, in whole or in part, of the outstanding Capital of the Purchasers (i) on any Business Day if, at such time (A) PNC (or an Affiliate thereof) is both the Administrative Agent and the sole Purchaser hereunder, (B) the Seller has entered into a PINACLE Agreement and (C) such prepayment is made with PINACLE; provided, that any such prepayment made with PINACLE after 4:00 p.m. Eastern Time on any day shall be deemed to have been made on the next occurring Business Day, or (ii) upon same-day written notice by delivering to the Administrative Agent a Reduction Notice in the form attached hereto as [Exhibit B](#) no later than ~~12:00 p.m.~~ [12:00 noon](#) Eastern Time on the proposed Business Day of such prepayment (it being understood that any such request made after such time shall be deemed to have been made on the following Business Day); provided, however, that (i) each such prepayment shall be in a minimum aggregate amount of \$1,000,000 and shall be an integral multiple of \$100,000, (ii) the Seller shall not provide any Reduction Notice, and no such Reduction Notice shall be effective, if after giving effect thereto, the Aggregate Capital at such time would be less than an amount equal to the Minimum Funding Threshold and (iii) any accrued Yield and Fees in respect of such prepaid Capital shall be paid on the immediately following Settlement Date; provided, however that notwithstanding the foregoing, a prepayment may be in an amount necessary to reduce any Capital Coverage Amount Deficit existing at such time to zero. All prepayments pursuant to this section shall be accompanied by [payment of all accrued and unpaid interest and](#) any associated indemnity payments due under [Section 4.02](#).

(e) The Seller may, at any time upon at least thirty (30) days' prior written notice to the Administrative Agent, terminate the Facility Limit in whole or ratably reduce the Facility Limit in part. Each partial reduction in the Facility Limit shall be in a minimum aggregate amount of \$5,000,000 or integral multiples of \$1,000,000 in excess thereof, and no such partial reduction shall reduce the Facility Limit to an amount less than \$250,000,000. In connection with any partial reduction in the Facility Limit, the Commitment of each Purchaser shall be ratably reduced. If the Facility Limit is terminated in whole, the Commitment of each Purchaser shall be reduced to zero. All prepayments pursuant to this section shall be accompanied by any associated indemnity payments due under [Section 4.02](#).

(f) In connection with any reduction of the Commitments, the Seller shall remit to the Administrative Agent (i) instructions regarding such reduction and (ii) for payment to the Purchasers, cash in an amount sufficient to pay (A) Capital of each Purchaser such that the aggregate Capital of each Committed Purchaser, together the Capital of its Related Conduit Purchaser (if any), does not exceed such Committed Purchaser's Commitment and (B) all other outstanding Seller Obligations with respect to such reduction (determined based on the ratio of the reduction of the Commitments being effected to the amount of the Commitments prior to such reduction or, if the Administrative Agent reasonably determines that any portion of the outstanding Seller Obligations is allocable solely to that portion of the Commitments being reduced or has arisen solely as a result of such reduction, all of such portion) including, without duplication, any associated indemnity payments due under [Section 4.02](#). Upon receipt of any such amounts, the Administrative Agent shall apply such amounts first to the reduction of the

outstanding Capital, and second to the payment of the remaining outstanding Seller Obligations with respect to such reduction, including any associated indemnity payments due under Section 4.02, by paying such amounts to the Purchasers.

SECTION 2.03 Yield and Fees.

(a) Fees. On each Settlement Date, the Seller shall, in accordance with the terms and priorities for payment set forth in Section 3.01(a), pay to each Purchaser, the Administrative Agent, the Structuring Agent certain fees (collectively, the “Fees”) in the amounts set forth in the fee letter agreements from time to time entered into, among the Seller, the Purchasers and/or the Administrative Agent, the Structuring Agent (each such fee letter agreement is collectively referred to herein as the “Fee Letter”); provided, however, that any Defaulting Purchaser’s right to receive Undrawn Fees shall be subject to the terms of Section 2.06.

All computations of Interest, Fees and other amounts hereunder shall be made on the basis of a year of 360 days (or, in the case of amounts determined by reference to the Base Rate, 365 or 366 days, as applicable) for the actual number of days (including the first but excluding the last day) elapsed.

(b) Yield and Fees. The Capital of each Purchaser shall accrue interest on each day when such Capital remains outstanding at the then-applicable Yield Rate for such Capital. The Seller shall pay all Yield and Fees accrued during each Yield Period on the first Settlement Date occurring after the end of such Yield Period in accordance with the terms and priorities for payment set forth in Section 3.01(a). For the avoidance of doubt, Yield and (except as otherwise specified in the applicable Fee Letter) Fees accrued during each Yield Period shall be due and payable on the first Settlement Date after such Yield Period without regard to the availability of Collections for payment thereof.

(c) Highest Lawful Rate. If at any time the designated rate of interest (including the Yield Rate for such purpose) applicable to any Purchaser’s Capital exceeds such Purchaser’s highest lawful rate, the rate of interest (including the Yield Rate for such purpose) on such Purchaser’s Capital shall be limited to such Purchaser’s highest lawful rate.

(d) Selection of Term SOFR Rate; Rate Quotations.

(i) So long as no Event of Default is continuing, the Seller may, by written notice to the Administrative Agent, elect for all or any portion of the Aggregate Capital to accrue yield or interest by reference to the Term SOFR Rate (rather than Daily 1M SOFR) during any Yield Period; provided, however, that no such election shall be made for ~~any Yield Period that does not commence on a Monthly Settlement Date or for~~ less (or more) than a full Yield Period. Any such notice must specify the amount of the Aggregate Capital subject of such election and must be delivered not later than ~~threetwo~~ (32) Business Days prior to the first day of the affected Yield Period. Any such portion of the Aggregate Capital that is subject to such an election shall be apportioned among the respective Purchasers’ Capital ratably based on the aggregate outstanding Capital of each Purchaser at such time. The parties hereby agree that the Seller shall be deemed to

have elected the Term SOFR Rate for every Yield Period for which the Term SOFR Rate is available pursuant to this clause (i), unless the Seller has notified the Administrative Agent that it elects Daily 1M SOFR with respect to any future Yield Period not later than three (3) Business Days prior to the first day of such Yield Period. Notwithstanding the foregoing, (x) the Seller shall not make such an election if, as a result thereof, more than three (3) Capital Tranches would exist and (y) each Capital Tranche accruing interest by reference to the Term SOFR Rate shall not be less than \$1,000,000 and shall be an integral multiple of \$100,000. For the avoidance of doubt, in the event of any conflict between the Seller's election pursuant to this clause (i) and the rate of interest applied pursuant to the definition of "Yield Rate," the definition of "Yield Rate" shall control.

(ii) The Seller may call the Administrative Agent on or before the date on which an Investment Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Purchasers nor affect the rate of interest which thereafter is actually in effect when the election is made.

(e) Conforming Changes Relating to Daily 1M SOFR and the Term SOFR Rate. With respect to Daily 1M SOFR and the Term SOFR 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 Transaction 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 Transaction Document; provided that, the Administrative Agent shall provide notice to the Seller and the Purchasers each such amendment implementing such Conforming Changes reasonably promptly after such amendment becomes effective.

(f) Yield and Interest After Default. To the extent permitted by Law, upon the occurrence of an Event of Default and until such time such Event of Default shall have been cured or waived, at the discretion of the Administrative Agent or upon written demand by the Required Purchasers to the Administrative Agent:

(i) Yield Rate. The Yield Rate applicable to any Capital shall be increased by 2.00% per annum;

(ii) Other Obligations. Each other obligation (other than payments in respect of Subordinated Loan) of any Seller-Related Party hereunder if not paid when due shall bear interest at a rate per annum equal to the sum of the Base Rate plus an additional 2.50% per annum from the time such obligation becomes due and payable until the time such obligation is paid in full; and

(iii) Acknowledgment. The Seller acknowledges that the increase in rates referred to in this Section 2.03(f) reflects, among other things, the fact that such Capital or other amounts have become a substantially greater risk given their default status and that the Purchasers are entitled to additional compensation for such risk; and all such interest or yield shall be payable upon demand by Administrative Agent or (if earlier) on the first Settlement Date occurring after such interest or yield accrues.

SECTION 2.04 Rate Unascertainable; Increased Costs; Illegality; Benchmark Replacement Setting.

(a) Unascertainable; Increased Costs. If, at any time:

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding absent manifest error) that the Term SOFR Rate or Daily 1M SOFR, as applicable, cannot be determined pursuant to the definition thereof; or

(ii) any Purchaser determines that for any reason Daily 1M SOFR or the Term SOFR Rate does not adequately and fairly reflect the cost to such Purchaser of funding, establishing or maintaining such Purchaser's Capital during the applicable Yield Period or that Daily 1M SOFR does not adequately and fairly reflect the cost to such Purchaser of funding, establishing or maintaining such Purchaser's Capital, and such Purchaser has provided notice of such determination to the Administrative Agent;

then the Administrative Agent shall have the rights specified in Section 2.04(c).

(b) Illegality. If at any time any Purchaser shall have determined or any Official Body shall have asserted that the making, maintenance or funding of any Capital (or an Investment thereof) accruing interest by reference to Daily 1M SOFR or the Term SOFR Rate or the determination or charging of yield or interest by reference to Daily 1M SOFR or the Term SOFR Rate has been made impracticable or unlawful, by compliance by such Purchaser in good faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), then the Administrative Agent shall have the rights specified in Section 2.04(c).

(c) Administrative Agent's and Purchaser's Rights. In the case of any event specified in Section 2.04(a), the Administrative Agent shall promptly so notify the Purchasers and the Seller thereof, and in the case of an event specified in Section 2.04(b), such Purchaser shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Purchasers and the Seller.

Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (i) the Purchasers, in the case of such notice given by the Administrative Agent, or (ii) such Purchaser, in the case of such notice given by such Purchaser, to allow the Seller to select, convert to, renew or continue any Capital accruing Yield by reference to Daily 1M SOFR or the Term SOFR Rate, as applicable, shall be suspended (to the extent of the affected Yield Rate or Yield Period) until the Administrative Agent shall have later notified the Seller, or such Purchaser shall have later notified the Administrative Agent, of the Administrative Agent's or such Purchaser's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist.

Upon a determination by the Administrative Agent under Section 2.04(a), (A) if the Seller has previously delivered an Investment Request for an affected Investment that has not yet

been made, such Investment Request shall be deemed to request an Investment of Base Rate Capital, and (B) any outstanding affected Capital accruing yield or interest by reference to Daily 1M SOFR shall automatically be converted into Base Rate Capital and (C) any outstanding affected Capital accruing yield or interest by reference to the Term SOFR Rate shall be deemed to have been converted into Base Rate Capital at the end of the applicable Yield Period.

If any Purchaser notifies the Administrative Agent of a determination under Section 2.04(b) above, the Seller shall, subject to the Seller's indemnification obligations under Section 4.02, as to any Capital of the Purchaser to which Daily 1M SOFR or the Term SOFR Rate applies, on the date specified in such notice either convert such Capital to Base Rate Capital or prepay such Capital. Absent due notice from the Seller of conversion or prepayment, such Capital shall automatically be converted to Base Rate Capital upon such specified date.

(d) Benchmark Replacement Setting.

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

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, 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 Transaction 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 Transaction Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Seller and the Purchasers of (A) the implementation of any Benchmark Replacement, and (B) the effectiveness of any

Conforming Changes in connection with the use, administration, adoption, or implementation of a Benchmark Replacement. The Administrative Agent will notify the Seller of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (iv) below and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Purchaser (or group of Purchasers) pursuant to this Section 2.04(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Transaction Document except, in each case, as expressly required pursuant to this Section 2.04(d).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate or based on a term rate and either (I) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (II) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Yield Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor; and (B) if a tenor that was removed pursuant to clause (A) above either (I) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (II) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Yield Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Seller’s receipt of notice of the commencement of a Benchmark Unavailability Period with respect to Daily 1M SOFR or the Term SOFR Rate, the Seller may revoke any pending request for an Investment of Capital accruing Yield based on such rate or conversion to or continuation of Capital accruing Yield based on such rate to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Seller will be deemed to have converted any such request into a request for Base Rate Capital or conversion to Base Rate Capital. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(vi) Definitions. As used in this Section 2.04(d):

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, if such Benchmark (a) is Daily 1M SOFR, one month, and (b) is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the Term SOFR Rate applicable to any Capital or the length of a yield or interest period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor of such Benchmark that is then-removed from the definition of “Yield Period” pursuant to clause (iv) of this Section 2.04(d).

“Benchmark” means, initially, SOFR, Daily 1M SOFR and the Term SOFR Rate; provided that if a Benchmark Transition Event has occurred with respect to the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to this Section.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (A) Daily Simple SOFR and (B) the SOFR Adjustment; and

(2) the sum of (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Seller, giving due consideration to (x) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment;

provided, that if the Benchmark Replacement as determined pursuant to clause (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents; and provided further, that any Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Seller, giving due consideration to (A) any selection or recommendation of a spread adjustment, or

method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means a date and time determined by the Administrative Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof), or, if such Benchmark is a term rate or is based on a term rate, all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date determined by the Administrative Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein;

For the avoidance of doubt, if such Benchmark is a term rate or is based on a term rate, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

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

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

(2) a public statement or publication of information by an Official Body having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate or based on a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate or based on a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or an Official Body having jurisdiction over the Administrative Agent announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate or based on a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

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

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with this Section 2.04(d) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with this Section 2.04(d).

“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 Daily 1M SOFR or the Term SOFR Rate, as applicable, or, if no floor is specified, zero.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or any successor thereto.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

SECTION 2.05 Records of Investments. Each Purchaser shall record in its records, the date and amount of each Investment made by such the Purchaser hereunder, the interest or yield rate with respect thereto, the Yield accrued thereon and each repayment and payment thereof. Subject to Section 12.03(c), such records shall be conclusive and binding absent manifest error. The failure to so record any such information or any error in so recording any such information shall not, however, limit or otherwise affect the obligations of the Seller hereunder or under the other Transaction Documents to repay the Capital of each Purchaser, together with all Yield accruing thereon and all other Seller Obligations.

SECTION 2.06 Defaulting Purchasers.

(a) Defaulting Purchaser Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Purchaser becomes a Defaulting Purchaser, then, until such time as such Purchaser is no longer a Defaulting Purchaser, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Purchaser’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as specified in the definition of Required Purchasers.

(ii) Defaulting Purchaser Waterfall. Any payment of capital, principal, interest, yield, fees or other amounts received by the Administrative Agent for the account of such Defaulting Purchaser (whether voluntary or mandatory, at maturity, pursuant to Section 3.01(a) or otherwise) or received by the Administrative Agent from a Defaulting Purchaser pursuant to Section 9.02(b) 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 Purchaser to the Administrative Agent hereunder; *second*, as the Seller may request (so long as no Potential Default or Event of Default exists), to the funding of any Investment in respect of which such Defaulting Purchaser has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Seller, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Purchaser’s potential future funding obligations with respect to Investments under this Agreement; *fourth*, to the payment of any amounts owing to the Purchasers as a result of any judgment of a court of competent jurisdiction obtained by any Purchaser against such Defaulting Purchaser as a result of such Defaulting Purchaser’s breach of its obligations

under this Agreement; *fifth*, so long as no Potential Default or Event of Default exists, to the payment of any amounts owing to the Seller as a result of any judgment of a court of competent jurisdiction obtained by the Seller against such Defaulting Purchaser as a result of such Defaulting Purchaser's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Purchaser or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of Capital of any Investments in respect of which such Defaulting Purchaser has not fully funded its appropriate share, and (y) such Investments were made at a time when the conditions specified in Section 5.02 were satisfied or waived, such payment shall be applied solely to pay the Investments of all Non-Defaulting Purchasers on a pro rata basis prior to being applied to the payment of any Investments of such Defaulting Purchaser until such time as all Investments are held by the Purchasers pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Purchaser that are applied (or held) to pay amounts owed by a Defaulting Purchaser pursuant to this Section 2.06(a)(ii) shall be deemed paid to and redirected by such Defaulting Purchaser, and each Purchaser irrevocably consents hereto.

(iii) Certain Fees. Notwithstanding anything to the contrary in the applicable Fee Letter, no Defaulting Purchaser shall be entitled to receive any Undrawn Fee accrued for any period during which that Purchaser is a Defaulting Purchaser (and the Seller shall not be required to pay any such Undrawn Fee that otherwise would have been required to have been paid to that Defaulting Purchaser).

(b) Defaulting Purchaser Cure. If the Seller and the Administrative Agent agree in writing that a Purchaser is no longer a Defaulting Purchaser, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions specified therein, that Purchaser will, to the extent applicable, purchase at par that portion of outstanding Investments of the other Purchasers or take such other actions as the Administrative Agent may determine to be necessary to cause the Investments to be held pro rata by the Purchasers in accordance with the Commitments, whereupon such Purchaser will cease to be a Defaulting Purchaser; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Seller while that Purchaser was a Defaulting Purchaser; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Purchaser to Purchaser will constitute a waiver or release of any claim of any party hereunder arising from that Purchaser's having been a Defaulting Purchaser.

(c) Termination of Defaulting Purchaser. The Seller may terminate the unused amount of the Commitment of any Defaulting Purchaser upon not less than ten (10) Business Days' prior notice to the Administrative Agent (which shall promptly notify the Purchasers thereof), and in such event the provisions of Section 2.06(a)(ii) will apply to all amounts thereafter paid by the Seller for the account of such Defaulting Purchaser under this Agreement (whether on account of Capital, principal, interest, Yield, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii)

such termination shall not be deemed to be a waiver or release of any claim the Seller, the Administrative Agent or any Purchaser may have against such Defaulting Purchaser.

SECTION 2.07 Security Interest.

(a) If, notwithstanding the intent of the parties stated in Section 2.01(c), the sale, assignment and transfer of any Sold Assets to the Administrative Agent (for the ratable benefit of the Purchasers) hereunder (including pursuant to Section 2.01(b)) is not treated as a sale for all purposes (except as provided in Sections 2.01(d) and 12.11), then such sale, assignment and transfer of such Sold Assets shall be treated as the grant of a security interest by the Seller to the Administrative Agent (for the ratable benefit of the Purchasers) to secure the payment and performance of all the Seller's obligations to the Administrative Agent, the Purchasers and the other Secured Parties hereunder and under the other Transaction Documents (including all Seller Obligations). Therefore, as security for the performance by the Seller of all the terms, covenants and agreements on the part of the Seller to be performed under this Agreement or any other Transaction Document, including the punctual payment when due of the Aggregate Capital and all Yield and all other Seller Obligations, the Seller hereby grants to the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, a continuing first priority security interest in, all of the Seller's right, title and interest in, to and under all of the Sold Assets, whether now or hereafter owned, existing or arising.

(b) The Administrative Agent (for the benefit of the Secured Parties) shall have, with respect to all the Sold Assets, and in addition to all the other rights and remedies available to the Administrative Agent (for the benefit of the Secured Parties), all the rights and remedies of a secured party under any applicable UCC.

(c) For the avoidance of doubt, (i) the grant of security interest pursuant to this Section 2.07 shall be in addition to, and shall not be construed to limit or modify, the sale of Sold Assets pursuant to Section 2.01(b) or the Seller's grant of security interest pursuant to Section 2.08, (ii) nothing in Section 2.01 shall be construed as limiting the rights, interests (including any security interest), obligations or liabilities of any party under this Section 2.07, and (iii) subject to the foregoing clauses (i) and (ii), this Section 2.07 shall not be construed to contradict the intentions of the parties set forth in Section 2.01(c).

SECTION 2.08 Secured Guaranty by Seller.

(a) Guaranty of Payment. The Seller hereby absolutely, irrevocably and unconditionally guarantees to each Purchaser, the Administrative Agent and the other Secured Parties the prompt payment of the Sold Receivables by the related Obligor and all other payment obligations included in the Sold Assets (collectively, the "Guaranteed Obligations"), in each case, in full when due, whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise (such guaranty, the "Seller Guaranty"). The Seller Guaranty is a guaranty of payment and performance and not of collection and is a continuing irrevocable guaranty and shall apply to all Guaranteed Obligations whenever arising. To the extent the obligations of the Seller hereunder in respect to the Seller Guaranty shall be adjudicated to be invalid or unenforceable for any reason (including because of any applicable state or federal Law relating to fraudulent conveyances or transfers) then such obligations of the Seller shall be

limited to the maximum amount that is permissible under applicable Law (whether federal or state or otherwise and including the Bankruptcy Code and any other applicable bankruptcy, insolvency, reorganization or other similar laws).

(b) Unconditional Guaranty. The obligations of the Seller under the Seller Guaranty are absolute, irrevocable, and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any Guaranteed Obligations, any Contract, any Transaction Document or any other agreement or instrument referred to therein, to the fullest extent permitted by applicable Law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor. The Seller agrees that the Seller Guaranty may be enforced by the Administrative Agent or the Purchasers without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having recourse to any of the other Transaction Documents or any collateral, including the Sold Assets, hereafter securing the Guaranteed Obligations, the Seller Obligations or otherwise, and the Seller hereby waives the right to require the Administrative Agent or the Purchasers to make demand on or proceed against any Obligor, any Originator, the Servicer or the Performance Guarantor or any other Person or to require the Administrative Agent or the Purchasers to pursue any other remedy or enforce any other right. The Seller further agrees that no Person or Official Body shall have any right to request any return or reimbursement of funds from the Administrative Agent or the Purchasers in connection with monies received under or in respect of the Seller Guaranty. The Seller further agrees that nothing contained herein shall prevent the Administrative Agent or the Purchasers from suing on any of the other Transaction Documents or foreclosing its or their, as applicable, security interest in or lien on the Sold Assets or any other collateral securing the Guaranteed Obligations or the Seller Obligations or from exercising any other rights available to it or them, as applicable, under any Transaction Document, or any other instrument of security and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of the Seller's obligations under the Seller Guaranty; it being the purpose and intent of the Seller that its obligations under the Seller Guaranty shall be absolute, independent and unconditional under any and all circumstances. Neither the Seller Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release, increase or limitation of the liability of any Obligor, any Originator, the Servicer or the Performance Guarantor or by reason of the bankruptcy or insolvency of any Obligor, any Originator, the Servicer or the Performance Guarantor. The Seller hereby waives any and all notice of the creation, renewal, extension, accrual, or increase of any of the Guaranteed Obligations and notice of or proof of reliance by the Administrative Agent or any Purchaser on the Seller Guaranty or acceptance of the Seller Guaranty. All dealings between any Obligor, any Purchaser Party, on the one hand, and the Administrative Agent and the Purchasers, on the other hand, shall be conclusively presumed to have been had or consummated in reliance upon the Seller Guaranty. The Seller hereby represents and warrants that it is, and immediately after giving effect to the Seller Guaranty and the obligation evidenced hereby, will be, solvent. The Seller Guaranty and the obligations of the Seller under the Seller Guaranty shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason (other than payment in full of all Guaranteed Obligations), including the occurrence of any of the following, whether or not the Administrative

Agent or any Purchaser shall have had notice or knowledge of any of them: (A) any failure to assert or enforce or agreement not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Sold Assets or the Guaranteed Obligations or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Sold Assets or the Guaranteed Obligations, (B) any waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to Events of Termination) of any Transaction Document or any agreement or instrument executed pursuant thereto, or of any guaranty or other security for the Sold Assets or the Guaranteed Obligations, (C) to the fullest extent permitted by applicable Law, any of the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (D) the application of payments received from any source to the payment of Debt other than the Guaranteed Obligations, even though the Administrative Agent might have elected to apply such payment to any part or all of the Guaranteed Obligations, (E) any failure to perfect or continue perfection of a security interest in any of the Supporting Assets, (F) any defenses, set-offs or counterclaims which any Purchaser Party or any Obligor may allege or assert against the Administrative Agent or any Purchaser in respect of the Sold Assets or the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (G) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of the Seller as an obligor in respect of the Sold Assets or the Guaranteed Obligations.

(c) Modifications. The Seller agrees that: (i) all or any part of any security interest, lien, collateral security or supporting obligation now or hereafter held for any Guaranteed Obligation may be exchanged, compromised or surrendered from time to time; (ii) none of the Purchasers or the Administrative Agent shall have any obligation to protect, perfect, secure or insure any security interest or lien now or hereafter held, if any, for the Guaranteed Obligations; (iii) the time or place of payment of any Guaranteed Obligation may be changed or extended, in whole or in part, to a time certain or otherwise, and may be renewed or accelerated, in whole or in part; (iv) any Obligor, any Purchaser Party and any other party (including any co-guarantor) liable for payment of any Guaranteed Obligation may be granted indulgences generally; (v) any of the provisions of Contracts or any other agreements or documents governing or giving rise to any Guaranteed Obligation may be modified, amended or waived; and (vi) any deposit balance for the credit of any Obligor, any Purchaser Party or any other party (including any co-guarantor) liable for the payment of any Guaranteed Obligation or liable upon any security therefor may be released, in whole or in part, at, before or after the stated, extended or accelerated maturity of the Guaranteed Obligations, all without notice to or further assent by the Seller, which shall remain bound thereon, notwithstanding any such exchange, compromise, surrender, extension, renewal, acceleration, modification, indulgence or release.

(d) Waiver of Rights. The Seller expressly waives to the fullest extent permitted by applicable Law: (i) notice of acceptance of the Seller Guaranty by the Purchasers and the Administrative Agent; (ii) presentment and demand for payment or performance of any

of the Guaranteed Obligations; (iii) protest and notice of dishonor or of default (except as specifically required in this Agreement) with respect to the Guaranteed Obligations or with respect to any security therefor; (iv) notice of the Purchasers or the Administrative Agent obtaining, amending, substituting for, releasing, waiving or modifying any security interest or lien, if any, hereafter securing the Guaranteed Obligations, or the Purchasers or the Administrative Agent subordinating, compromising, discharging or releasing such security interests or liens, if any; (v) all other notices, demands, presentments, protests or any agreement or instrument related to the Sold Assets or the Guaranteed Obligations to which the Seller might otherwise be entitled; (vi) any right to require the Administrative Agent or any Purchaser as a condition of payment or performance by the Seller, to (A) proceed against any Obligor, any Originator, the Servicer, the Performance Guarantor or any other Person, (B) proceed against or exhaust any other security held from any Obligor, any Originator, the Servicer, the Performance Guarantor or any other Person, (C) proceed against or have resort to any balance of any deposit account, securities account or credit on the books of the Administrative Agent, the Purchasers or any other Person, or (D) pursue any other remedy in the power of the Administrative Agent or the Purchasers whatsoever; (vii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any Obligor, any Originator, the Servicer, the Performance Guarantor or any other Person including any defense based on or arising out of the lack of validity or the unenforceability of the Sold Assets or the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of any Obligor, any Originator, the Servicer, the Performance Guarantor or any other Person from any cause other than payment in full of the Sold Assets and the Guaranteed Obligations; (viii) any defense based upon any applicable Law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (ix) any defense based upon the Administrative Agent's or any Purchaser's errors or omissions in the administration of the Sold Assets or the Guaranteed Obligations; (x) (A) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Agreement and any legal or equitable discharge of the Sold Assets or the Guaranteed Obligations, (B) the benefit of any statute of limitations affecting the Seller's liability under the Seller Guaranty or the enforcement of the Seller Guaranty, (C) any rights to set-offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that the Administrative Agent and the Purchasers protect, secure, perfect or insure any other security interest or lien or any property subject thereto; and (xi) to the fullest extent permitted by applicable Law, any defenses or benefits that may be derived from or afforded by applicable Law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Agreement and the Seller Guaranty.

(e) Reinstatement. Notwithstanding anything contained in this Agreement or the other Transaction Documents, the obligations of the Seller under this Section 2.08 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Seller agrees that it will indemnify Administrative Agent and each Purchaser on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by such Person in connection with such

rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

(f) Remedies. The Seller agrees that, as between the Seller, on the one hand, and Administrative Agent and the Purchasers, on the other hand, the Guaranteed Obligations may be declared to be forthwith due and payable as provided in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 9.02) notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing such Guaranteed Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or such Guaranteed Obligations being deemed to have become automatically due and payable), such Guaranteed Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Seller.

(g) Subrogation. The Seller hereby waives all rights of subrogation (whether contractual or otherwise) to the claims of the Administrative Agent, the Purchasers and the other Secured Parties against any Obligor, any Originator, the Servicer, the Performance Guarantor or any other Person in respect of the Guaranteed Obligations until such time as all Guaranteed Obligations have been indefeasibly paid in full in cash and the Final Payout Date has occurred. The Seller further agrees that, to the extent such waiver of its rights of subrogation is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation shall be junior and subordinate to any rights the Administrative Agent or any Purchaser may have against any Obligor, any Originator, the Servicer, the Performance Guarantor or any other Person in respect of the Guaranteed Obligations.

(h) Inducement. The Purchasers have been induced to make the Investments under this Agreement in part based upon the Seller Guaranty that the Seller desires that the Seller Guaranty be honored and enforced as separate obligations of the Seller, should Administrative Agent and the Purchasers desire to do so.

(i) Security Interest.

(i) To secure the prompt payment and performance of the Guaranteed Obligations, the Seller Guaranty and all other Seller Obligations, the Seller hereby grants to the Administrative Agent, for the benefit of the Purchasers and the other Secured Parties, a continuing security interest in and lien upon all property and assets of the Seller, whether now or hereafter owned, existing or arising and wherever located, including the following (collectively, the "Seller Collateral"): (A) all Unsold Receivables, (B) all Related Security with respect to such Unsold Receivables, (C) the Lock-Boxes, Collection Accounts and Cash Dominion Administration Accounts and all amounts on deposit therein, and all certificates and instruments, if any, from time to time evidencing such Lock-Boxes, Collection Accounts and Cash Dominion Administration Accounts and amounts on deposit therein, (D) all rights of the Seller under the Transfer Agreement; (E) all other personal and fixture property or assets of the Seller of every kind and nature including all goods (including inventory, equipment and any accessions thereto),

instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, securities accounts, securities entitlements, letter-of-credit rights, commercial tort claims, securities and all other investment property, supporting obligations, money, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles) (each as defined in the UCC) and (F) all proceeds of, and all amounts received or receivable under any or all of, the foregoing.

(ii) The Administrative Agent (for the benefit of the Secured Parties) shall have, with respect to all the Seller Collateral, and in addition to all the other rights and remedies available to the Administrative Agent (for the benefit of the Secured Parties), all the rights and remedies of a secured party under any applicable UCC.

(iii) For the avoidance of doubt, the grant of security interest pursuant to this Section 2.08(i) shall be in addition to, and shall not be construed to limit or modify, the sale of Sold Assets pursuant to Section 2.01(b) or the Seller's grant of security interest pursuant to Section 2.07.

SECTION 2.09 Authorization to File Financing Statements; Further Assurances. The Seller hereby authorizes the Administrative Agent to file financing statements describing as the collateral covered thereby as "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in this Agreement. Promptly upon request, the Seller shall deliver such instruments, assignments or other documents or agreements, and shall take such actions, as the Administrative Agent or any Purchaser deems appropriate to evidence or perfect its ownership or security interest and lien on any of the Supporting Assets, or otherwise to give effect to the intent of Sections 2.01, 2.07 and 2.08.

ARTICLE III

SETTLEMENT PROCEDURES AND PAYMENT PROVISIONS

SECTION 3.01 Settlement Procedures.

(a) So long as the Administrative Agent has not taken exclusive control of the Collection Accounts, the Servicer shall set aside and hold in trust for the Administrative Agent, for the benefit of the Secured Parties (or, if so requested by the Administrative Agent, segregate in a separate account designated by the Administrative Agent, which shall be an account maintained and/or controlled by the Administrative Agent unless the Administrative Agent otherwise instructs in its sole discretion), for application in accordance with the priority of payments set forth below, all Collections on Pool Receivables that are actually received by the Servicer or the Seller or received in any Lock-Box or Collection Account; provided, however, that so long as the Administrative Agent has not taken exclusive control of the Collection Accounts and each of the conditions precedent set forth in Section 5.03 are satisfied on such date, the Servicer may (A) release to the Seller from Collections received on Seller Collateral the amount (if any) necessary to pay the purchase price for Receivables purchased by the Seller on such date in accordance with the terms of the Transfer Agreement and (B) release to the Seller all

or a portion of Collections received on Sold Assets in exchange for the Seller designating an equivalent amount (based on aggregate Outstanding Balances) of Unsold Receivables as new Sold Receivables on Seller's books and records pursuant to Section 2.01(e), which new Sold Receivables will be automatically and immediately sold by the Seller to the Administrative Agent (for the ratable benefit of the Purchasers) pursuant to Section 2.01(b) upon such release (each such release of Collections described in clauses (A) and (B) above or pursuant to Section 8.03(c), a "Release"); ~~provided, however,~~ that the amount so released to the Seller by the Servicer on any day shall not exceed the Maximum Release Amount, and any Release following the Administrative Agent's assumption of exclusive control of the Collection Accounts shall be made pursuant to Section 8.03(c). On each Settlement Date, the Servicer (so long as the Administrative Agent has not taken exclusive control of the Collection Accounts) shall distribute such Collections (or, following its assumption of exclusive control of the Collection Accounts, the Administrative Agent shall distribute all Collections then on deposit in the Cash Dominion Administration Accounts) in the following order of priority:

(i) first, to the Servicer for the payment of all unpaid Servicing Fees accrued ~~up to (but not including) such Settlement Date~~ through the end of the most recently-ended Yield Period;

(ii) second, to each Purchaser and other Purchaser Party (ratably, based on the amount then due and owing), (w) all unpaid Yield accrued on such Purchaser's Capital ~~up to (but not including) such Settlement Date~~ through the end of the most recently-ended Yield Period, (x) all unpaid Fees accrued ~~up to (but not including) such Settlement Date~~ through the end of the most recently-ended Yield Period or otherwise due and payable pursuant to the applicable Fee Letter, (y) any indemnity payments under Section 4.02 due to such Purchaser and other Purchaser Party, and (z) any additional amounts or indemnified amounts payable under Sections 4.03 and 11.01 in respect of such payments;

(iii) third, as set forth in clause (A), (B) or (C) below, as applicable:

(A) prior to the occurrence of the Termination Date, to the extent that a Capital Coverage Amount Deficit exists on such date, to the Purchasers (ratably, based on the aggregate outstanding Capital of each Purchaser at such time) for the payment of a portion of the outstanding Aggregate Capital at such time, in an aggregate amount equal to the amount necessary to reduce the Capital Coverage Amount Deficit to zero (\$0);

(B) on and after the occurrence of the Termination Date, to each Purchaser (ratably, based on the aggregate outstanding Capital of each Purchaser at such time) for the payment in full of the aggregate outstanding Capital of each such Purchaser at such time; or

(C) prior to the occurrence of the Termination Date, at the election of the Seller and in accordance with Section 2.02(d), to the payment of all

or any portion of the outstanding Capital of the Purchasers at such time (ratably, based on the aggregate outstanding Capital of each Purchaser at such time);

(iv) fourth, to the Secured Parties (ratably, based on the amount due and owing at such time), for the payment of all other Seller Obligations then due and owing by the Seller to the Secured Parties;

(v) fifth, to the Originators (ratably, based on the amount due and owing at such time), any payments of principal or interest then due under the Subordinated Loans; and

(vi) sixth, the balance, if any, to be paid to the Seller for its own account.

Amounts payable pursuant to each of clauses first through fourth above shall be paid (at each level of priority) first from available Collections on Sold Receivables and other Sold Assets, and second, to the extent necessary in order to make all such payments at such level of priority in full, from Collections on Unsold Receivables and other Seller Collateral. The Seller's right to receive payments (if any) from time to time pursuant to clause sixth above shall, to the extent arising from Collections on Sold Receivables, constitute compensation to the Seller for the Seller's provision of the Seller Guaranty and the Purchaser Parties' interests in the Sold Asset and the Seller Collateral.

(b) All payments or distributions to be made by the Servicer, the Seller and any other Person to any Purchaser Party (or its respective related Secured Parties), shall be paid or distributed to such Purchaser Party.

(c) If and to the extent the Administrative Agent or any other Secured Party shall be required for any reason to pay over to any Person (including any Obligor or any trustee, receiver, custodian or similar official in any Relief Proceeding) any amount received on its behalf hereunder, such amount shall be deemed not to have been so received but rather to have been retained by the Seller and, accordingly, the Administrative Agent or such other Secured Party, as the case may be, shall have a claim against the Seller for such amount.

(d) For the purposes of this Section 3.01:

(i) if on any day the Outstanding Balance of any Pool Receivable is reduced or cancelled as a result of (A) any defective, rejected, returned, repossessed or foreclosed goods or services, (B) any revision, cancellation, allowance, rebate, credit memo, discount or other adjustment made by any Seller-Related Party or any Affiliate thereof or (C) any setoff, counterclaim or dispute between any Seller-Related Party or any Affiliate thereof, and an Obligor, the Seller shall be deemed to have received on such day a Collection of such Pool Receivable in an amount equal to the positive difference between (A) such Pool Receivable's Outstanding Balance prior to such reduction and (B)

its Outstanding Balance after such reduction, and the Seller shall within two (2) Business Days pay to a Collection Account or as otherwise directed by the Administrative Agent at such time, for the benefit of the Purchaser Parties for application pursuant to Section 3.01(a), an amount equal to (x) if such reduction occurs prior to the Termination Date and no Event of Default or Potential Default has occurred and is continuing, the lesser of (I) the sum of all deemed Collections with respect to such reduction and (II) an amount necessary to eliminate any Capital Coverage Amount Deficit that exists at such time and (y) if such reduction occurs on or after the Termination Date or at any time when an Event of Default or Potential Default has occurred and is continuing, the sum of all deemed Collections with respect to such reduction (Collections deemed to have been received pursuant to this Section 3.01(d)(i)) are hereinafter sometimes referred to as “Dilution”);

(ii) if (A) any representation or warranty in Section 6.01 is not true with respect to any Pool Receivable at the time made or (B) any Receivable included in any Pool Report as an Eligible Receivable or in any calculation of the Net Receivables Pool Balance as an Eligible Receivable fails to be an Eligible Receivable at the time of such inclusion, then, in either case, the Seller shall be deemed to have received on such day a Collection of such Pool Receivable’s Outstanding Balance in full, and the Seller shall within two (2) Business Days pay to a Collection Account or as otherwise directed by the Administrative Agent at such time, for the benefit of the Purchaser Parties for application pursuant to Section 3.01(a), an amount equal to (x) if such breach occurs prior to the Termination Date and no Event of Default or Potential Default has occurred and is continuing, the lesser of (I) the sum of all deemed Collections with respect to such breach and (II) an amount necessary to eliminate any Capital Coverage Amount Deficit that exists at such time and (y) if such breach occurs on or after the Termination Date or at any time when an Event of Default or Potential Default has occurred and is continuing, the sum of all deemed Collections with respect to such breach (Collections deemed to have been received pursuant to Sections 3.01(d)(i) and 3.01(d)(ii), including any Dilution, are hereinafter sometimes referred to as “Deemed Collections”);

(iii) except as provided in clauses (i) or (ii) above or otherwise required by applicable Law or the relevant Contract, all Collections received from an Obligor of any Receivable shall be applied to the Receivables of such Obligor in the order of the age of such Receivables, starting with the oldest such Receivable, unless such Obligor designates in writing its payment for application to specific Receivables; and

(iv) if and to the extent the Administrative Agent or any other Secured Party shall be required for any reason to pay over to an Obligor (or any trustee, receiver, custodian or similar official in any Relief Proceeding) any amount received by it hereunder, such amount shall be deemed not to have been so received by such Person but rather to have been retained by the Seller and, accordingly, such Person shall have a claim against the Seller for such amount, payable when and to the extent that any distribution from or on behalf of such Obligor is made in respect thereof.

SECTION 3.02 Payments and Computations, Etc.

-(a) All amounts to be paid by the Seller or the Servicer to any Secured Party hereunder shall be paid no later than 1:00 p.m. Eastern Time on the day when due in same day funds to the applicable party to which such amounts are due.

(b) Each of the Seller and the Servicer shall, to the extent permitted by applicable Law, pay interest on any amount not paid or deposited by it when due hereunder, at an interest rate per annum equal to 2.00% per annum above the Base Rate, payable on demand.

(c) Whenever any payment or deposit to be made hereunder shall be due on a day other than a Business Day, such payment or deposit shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of such payment or deposit.

SECTION 3.03 Sharing of Payments by Purchasers. If any Purchaser shall, by exercising any right of setoff, counterclaim or banker's lien or any other right, by receipt of voluntary payment, by realization upon security, or by any other non-pro rata source, obtain payment in respect of any principal of or interest on any of its Investments or Capital or other obligations hereunder resulting in such Purchaser's receiving payment of a proportion of the aggregate amount of its Capital and accrued Yield thereon or other such obligations greater than the pro-rata share of the amount such Purchaser is entitled thereto, then the Purchaser receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Investments (and related Capital) and such other obligations of the other Purchasers, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Purchasers ratably in accordance with the aggregate amount of Capital of and accrued Yield on their respective Investments and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by Law (including court order) to be paid by the Purchaser or the holder making such purchase; and

(ii) the provisions of this Section 3.03 shall not be construed to apply to (x) any payment made by the Seller-Related Parties pursuant to and in accordance with the express terms of the Transaction Documents (including the application of funds arising from the existence of a Defaulting Purchaser) or (y) any payment obtained by a Purchaser as consideration for the assignment of or sale of a participation in any of its Capital.

Each Seller-Related Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Purchaser acquiring a participation pursuant to the foregoing arrangements may exercise against each Seller-Related Party rights of setoff and counterclaim with respect to such participation as fully as if such Purchaser were a direct creditor of each Seller-Related Party in the amount of such participation.

SECTION 3.04 Administrative Agent's Clawback.

(a) Funding by Purchasers; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Purchaser, prior to the proposed date of any Investment, that such Purchaser will not make available to the Administrative Agent such Purchaser's share of such Investment, the Administrative Agent may assume that such Purchaser has made such share available on such date in accordance with Section 2.02 and may, in reliance upon such assumption, make available to the Seller a corresponding amount. In such event, if a Purchaser has not in fact made its share of the applicable Investment available to the Administrative Agent, then the applicable Purchaser and the Seller severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Seller to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Purchaser, the greater of the Effective Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Seller, the Yield Rate applicable to Base Rate Capitals. If the Seller and such Purchaser shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Seller the amount of such interest paid by the Seller for such period. If such Purchaser pays its share of the applicable Investment to the Administrative Agent, then the amount so paid shall constitute such Purchaser's share included in such Investment. Any payment by the Seller shall be without prejudice to any claim the Seller may have against a Purchaser that shall have failed to make such payment to the Administrative Agent.

(b) Payments by Seller; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Seller prior to the date on which any payment is due to the Administrative Agent for the account of the Purchasers hereunder that the Seller will not make such payment, the Administrative Agent may assume that the Seller has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Purchasers the amount due. In such event, if the Seller has not in fact made such payment, then each of the Purchasers severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Purchaser, 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 Effective Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

ARTICLE IV

INCREASED COSTS; FUNDING LOSSES; TAXES; ILLEGALITY AND SECURITY INTEREST

SECTION 4.01 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 Purchaser;

(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 Purchaser or the relevant market any other condition, cost or expense (other than Taxes) affecting this Agreement or Investments made by such Purchaser or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Purchaser or such other Recipient of making, converting to, continuing or maintaining any Investment or of maintaining its obligation to make any such Investment, or to reduce the amount of any sum received or receivable by such Purchaser or other Recipient hereunder (whether of Capital, principal, interest, Yield or any other amount) then, upon request of such Purchaser or other Recipient, the Seller will pay to such Purchaser or other Recipient, as the case may be, such additional amount or amounts as will compensate such Purchaser or other Recipient, as the case may be, for such additional costs incurred or reduction suffered; provided that upon the occurrence of any Change in Law imposing a reserve percentage on any interest rate based on SOFR, the Administrative Agent, in its reasonable discretion, may modify the calculation of each such SOFR-based yield or interest rate to add (or otherwise account for) such reserve percentage.

(b) Capital Requirements. If any Purchaser determines that any Change in Law affecting such Purchaser or any Lending Office of such Purchaser or such Purchaser's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Purchaser's capital or on the capital of such Purchaser's holding company, if any, as a consequence of this Agreement, the Commitments of such Purchaser or the Investments made by such Purchaser, to a level below that which such Purchaser or such Purchaser's holding company could have achieved but for such Change in Law (taking into consideration such Purchaser's policies and the policies of such Purchaser's holding company with respect to capital adequacy), then from time to time the Seller will pay to such Purchaser such additional amount or amounts as will compensate such Purchaser or such Purchaser's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Purchaser setting forth the amount or amounts necessary to compensate such Purchaser or its holding company, as the case may be, as specified in clause (a) or (b) of this Section and delivered to the Seller shall be conclusive absent manifest error. The Seller shall pay such Purchaser the amount shown as due

on any such certificate on the first Settlement Date occurring ten (10) or more days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Purchaser to demand compensation pursuant to this Section shall not constitute a waiver of such Purchaser's right to demand such compensation, provided that the Seller shall not be required to compensate a Purchaser pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Purchaser notifies the Seller of the Change in Law giving rise to such increased costs or reductions and of such Purchaser's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 4.02 Indemnity for Funding Losses. In addition to the compensation or payments required by Section 4.01 or Section 4.03, the Seller shall indemnify each Purchaser against all liabilities, losses or expenses (including loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain any Capital, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract) which such Purchaser sustains or incurs as a consequence of any:

(a) payment, prepayment, conversion or renewal of any Capital to which the Term SOFR Rate applies on a day other than ~~a Monthly Settlement Date~~ the last day of the Yield Period for the applicable Capital Tranche (whether or not any such payment or prepayment is mandatory, voluntary, or automatic and whether or not any such payment or prepayment is then due);

(b) attempt by the Seller to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any Investment Request or notice relating to prepayments under Section 2.02(d) or failure by the Seller (for a reason other than the failure of such Purchaser to fund an Investment) to prepay, borrow, continue or convert any Capital on the date or in the amount notified by the Seller; or

(c) any assignment of Capital then accruing Yield based on the Term SOFR Rate on a day other than the last day of the Yield Period therefor as a result of a request by the Seller pursuant to Section 4.04.

If any Purchaser sustains or incurs any such loss or expense, it shall from time to time notify the Seller of the amount determined in good faith by such Purchaser (which determination may include such assumptions, allocations of costs and expenses and averaging or attribution methods as such Purchaser shall deem reasonable) to be necessary to indemnify such Purchaser for such loss or expense (with a copy to the Administrative Agent). Such notice shall specify in reasonable detail the basis for such determination. Such amount shall be due and payable by the Seller to such Purchaser on the first Settlement Date occurring after such notice is given ~~or~~; provided, however, that if such

amount is payable due to clause (a) or (c) above, then the Seller shall pay such amount on the date of such payment, prepayment, conversion, renewal or assignment so long as such notice has been given on or prior to such date.

SECTION 4.03 Taxes.

(a) [Reserved].

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Seller under any Transaction Document shall be 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 Official Body in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Seller 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 4.03) 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 the Seller. The Seller shall timely pay to the relevant Official Body in accordance with applicable Law, or, at the option of the Administrative Agent, timely reimburse the Administrative Agent for the payment of, any Other Taxes.

(d) Indemnification by the Seller. The Seller shall indemnify each Recipient, on the next Settlement Date occurring ten (10) or more days after demand therefor, for the full amount of any (i) Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 4.03) payable or 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 Official Body and (ii) incremental Taxes suffered by a Recipient, paid on an after-Tax basis, that arise because an Investment or any Capital is not treated consistently with the Intended Tax Treatment (and any reasonable expenses arising out of, relating to, or resulting from the foregoing). A certificate as to the amount of such payment or liability delivered to the Seller by a Purchaser (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Purchaser, shall be conclusive absent manifest error.

(e) Indemnification by the Purchasers. Each Purchaser shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Purchaser (but only to the extent that the Seller-Related Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting any obligation of any Seller-Related Party to do so), (ii) any Taxes attributable to such Purchaser's failure to comply with the provisions of Section 12.06(a) relating to the maintenance of a Participant Register, and (iii) any Excluded Taxes attributable to such

Purchaser, in each case, that are payable or paid by the Administrative Agent in connection with any Transaction 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 Official Body. A certificate as to the amount of such payment or liability delivered to any Purchaser by the Administrative Agent shall be conclusive absent manifest error. Each Purchaser hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Purchaser under any Transaction Document or otherwise payable by the Administrative Agent to the Purchaser from any other source against any amount due to the Administrative Agent under this Section 4.03(e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Seller to an Official Body pursuant to this Section 4.03, the Seller shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Official Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Purchasers.

(i) Any Purchaser that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Seller and the Administrative Agent, at the time or times reasonably requested by the Seller or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Seller or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Purchaser, if reasonably requested by the Seller or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Seller or the Administrative Agent as will enable the Seller or the Administrative Agent to determine whether or not such Purchaser 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 Sections 4.03(g)(ii)(1), 4.03(g)(ii)(2), and 4.03(h)) shall not be required if, in the Purchaser's reasonable judgment, such completion, execution or submission would subject such Purchaser to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Purchaser.

(ii) Without limiting the generality of the foregoing, in the event that the Seller is a U.S. Person:

(1) any Purchaser that is a U.S. Person shall deliver to the Seller and the Administrative Agent on or prior to the date on which such Purchaser becomes a Purchaser under this Agreement (and from time to time thereafter upon the reasonable request of the Seller or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Purchaser is exempt from U.S. federal backup withholding tax;

(2) any Foreign Purchaser shall, to the extent it is legally entitled to do so, deliver to the Seller 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 Purchaser becomes a Purchaser under this Agreement (and from time to time thereafter upon the reasonable request of the Seller or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Purchaser 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 Transaction Document, executed copies of IRS Form W-8BEN-E (or W-8BEN if 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 Transaction Document, IRS Form W-8BEN-E (or W-8BEN if 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 Purchaser 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 H-1 to the effect that such Foreign Purchaser is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Seller within the meaning of Section 881(c)(3)(B) of the Code, or (C) 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 if applicable); or

(iv) to the extent a Foreign Purchaser 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 if applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Purchaser is a partnership and one or more direct or indirect partners of such Foreign Purchaser are claiming the portfolio interest exemption, such Foreign Purchaser may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(3) any Foreign Purchaser shall, to the extent it is legally entitled to do so, deliver to the Seller 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 Purchaser becomes a Purchaser under this Agreement (and from time to time thereafter upon the reasonable request of the Seller 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 Seller or the Administrative Agent to determine the withholding or deduction required to be made; and

(4) if a payment made to a Purchaser under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Purchaser 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 Purchaser shall deliver to the Seller and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Seller 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 Seller or the Administrative Agent as may be necessary for the Seller and the Administrative Agent to comply with their obligations under FATCA and to determine that such Purchaser has complied with such Purchaser's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

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

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 4.03 (including by the payment of additional amounts pursuant to this Section 4.03), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 4.03 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Official Body with respect to such refund). Such indemnifying party, upon the request of such indemnified party incurred in connection with obtaining such refund, shall repay to such indemnified party the amount paid over pursuant to this Section 4.03(h) (plus any penalties,

interest or other charges imposed by the relevant Official Body) in the event that such indemnified party is required to repay such refund to such Official Body. Notwithstanding anything to the contrary in this Section 4.03(h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 4.03(h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 4.03 shall survive the resignation of the Administrative Agent or any assignment of rights by, or the replacement of, a Purchaser, the termination of the Commitments and the repayment, satisfaction or discharge of all Seller Obligations.

SECTION 4.04 Replacement of a Purchaser. If any Purchaser requests compensation under Section 4.01, or if the Seller is required to pay any Indemnified Taxes or additional amounts to any Purchaser or any Official Body for the account of any Purchaser pursuant to Section 4.03 and, in each case, such Purchaser has declined or is unable to designate a different lending office in accordance with Section 4.05, or if any Purchaser is a Defaulting Purchaser or a Non-Consenting Purchaser, then the Seller may, at its sole expense and effort, upon notice to such Purchaser and the Administrative Agent, require such Purchaser to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.06), all of its interests, rights (other than its existing rights to payments pursuant to Section 4.01 or Section 4.03) and obligations under this Agreement and the related Transaction Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Purchaser, if a Purchaser accepts such assignment); provided that:

(a) the Seller shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 12.06;

(b) such Purchaser shall have received payment of an amount equal to the outstanding Capital of its Investments, accrued Yield thereon, accrued Fees and all other amounts payable to it hereunder and under the other Transaction Documents (including any amounts under Section 4.02) from the assignee (to the extent of such outstanding Capital, principal and accrued interest, Yield and fees) or the Seller (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 4.01 or payments required to be made pursuant to Section 4.03, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Law; and

(e) in the case of any assignment resulting from a Purchaser becoming a Non-Consenting Purchaser, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Purchaser shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Purchaser or otherwise, the circumstances entitling the Seller to require such assignment and delegation cease to apply.

SECTION 4.05 Designation of a Different Lending Office. If any Purchaser requests compensation under Section 4.01, or the Seller is or will be required to pay any Indemnified Taxes or additional amounts to any Purchaser or any Official Body for the account of any Purchaser pursuant to Section 4.03, then such Purchaser shall (at the request of the Seller) use reasonable efforts to designate a different Lending Office for funding or booking its Investments hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Purchaser, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 4.01 or Section 4.03, as the case may be, in the future, and (ii) would not subject such Purchaser to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Purchaser. The Seller hereby agrees to pay all reasonable costs and expenses incurred by any Purchaser in connection with any such designation or assignment.

ARTICLE V

CONDITIONS TO EFFECTIVENESS AND INVESTMENTS

SECTION 5.01 Conditions Precedent to Effectiveness. This Agreement shall become effective as of the Closing Date when (a) the Administrative Agent shall have received each of the documents, agreements (in fully executed form), opinions of counsel, lien search results, UCC filings, certificates and other deliverables listed on the closing memorandum attached as Exhibit G hereto, in each case, in form and substance reasonably acceptable to the Administrative Agent and (b) all fees and expenses payable by the Seller on the Closing Date to the Purchaser Parties have been paid in full in accordance with the terms of the Transaction Documents.

SECTION 5.02 Conditions Precedent to All Investments. Each Investment hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) prior to the first Investment made hereunder:

(i) the Field Exam shall have been completed, and the Administrative Agent shall have received Durkin Group LLC's draft of the report (the "Field Exam Report") of findings made during the Field Exam, which report shall be in form and substance acceptable to the Administrative Agent;

(ii) the Administrative Agent shall have received from the Servicer a report (the "Historical A/R Report") of the Receivables' historical data (including with respect to origination, servicing, collection, dilution, default, loss, tenor, obligor-concentration and similar data relevant to the Monthly Reports to be delivered hereunder and the formulation and calculation of Total Reserves, the pool performance triggers

described in clause (iii) below and all components of the foregoing), in form and substance acceptable to the Administrative Agent;

(iii) following the satisfaction of preceding sub-clauses (i) and (ii) this Agreement shall have been amended as requested by the Administrative Agent in its sole discretion based on the Field Exam, the Field Exam Report and the Historical A/R Report with respect thereto, which amendment (x) the parties hereto anticipate (as of the Closing Date) will, among other things, (A) add Receivables Pool performance-based Events of Default to Section 9.01 triggered by the three-Fiscal Month rolling average Default Ratio, Delinquency Ratio and Dilution Ratio and by Days' Sales Outstanding for any Fiscal Month, in each case, with trigger-levels to be specified by the Administrative Agent and sufficient for each Purchaser to obtain or comply with the terms of its internal credit approvals, (B) include new defined terms or adjust various defined terms, including the definitions of Receivables, Eligible Receivables, Days' Sales Outstanding, Default Ratio, Delinquency Ratio, Dilution Ratio, Excess Concentration, Event of Default and Total Reserves (along with any defined term(s) constituting a component of any of the foregoing), and (C) add forms of Pool Reports as Exhibit E-1, E-2 and E-3 hereto, and (y) shall be in form and substance reasonably acceptable to the Administrative Agent and each Purchaser;

(iv) the Seller shall have delivered to the Administrative Agent a Monthly Report with data reported therein as of the end of the most recently-ended Fiscal Month, in form and substance reasonably acceptable to the Administrative Agent; and

(v) the UCC financing statement file number 230623-1634000 of Fortrea Inc. in favor U.S. Bank National Association shall have been terminated and the Seller shall have delivered evidence of such termination to the Administrative Agent;

(b) the Seller shall have delivered to the Administrative Agent an Investment Request for such Investment, in accordance with Section 2.02(a);

(c) the Servicer shall have delivered to the Administrative Agent all Pool Reports required to be delivered hereunder; and

(d) on the date of such Investment the following statements shall be true and correct (and upon the occurrence of such Investment, the Seller and the Servicer shall be deemed to have represented and warranted that such statements are then true and correct):

(i) the representations and warranties of the Seller and the Servicer contained in Sections 6.01 and 6.02 are true and correct in all material respects on and as of the date of such Investment as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;

- (ii) no Event of Default or Potential Default has occurred and is continuing, and no Event of Default or Potential Default would result from such Investment;
- (iii) no Capital Coverage Amount Deficit exists or would exist after giving effect to such Investment;
- (iv) immediately after giving effect to such Investment, no Purchaser's aggregate outstanding Capital will exceed such Purchaser's Commitment;
- (v) the Termination Date has not occurred;
- (vi) the Aggregate Capital equals or exceeds the Minimum Funding Threshold; and
- (vii) the aggregate Outstanding Balance of all Sold Receivables does not exceed the Aggregate Capital.

SECTION 5.03 Conditions Precedent to All Releases. Each Release hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) after giving effect to such Release, the Servicer shall be holding in trust for the benefit of the Secured Parties (or, if the Administrative Agent has taken exclusive control of the Collection Accounts as contemplated by Section 8.03, the Administrative Agent shall be holding in the Cash Dominion Administration Account(s)) an amount of Collections sufficient to pay the sum of (x) all accrued and unpaid Servicing Fees, Yield, Fees and indemnification payments under Section 4.02, in each case, through the date of such Release, (y) the amount of any Capital Coverage Amount Deficit and (z) the amount of all other accrued and unpaid Seller Obligations through the date of such Release;

(b) the Seller shall use the proceeds of such Release solely to pay the purchase price for Receivables purchased by the Seller in accordance with the terms of the Transfer Agreement; and

(c) on the date of such Release the following statements shall be true and correct (and upon the occurrence of such Release, the Seller and the Servicer shall be deemed to have represented and warranted that such statements are then true and correct):

(i) the representations and warranties of the Seller and the Servicer contained in Sections 6.01 and 6.02 are true and correct in all material respects on and as of the date of such Release as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;

(ii) no Event of Default or Potential Default has occurred and is continuing, and no Event of Default or Potential Default would result from such Release;

- (iii) no Capital Coverage Amount Deficit exists or would exist after giving effect to such Release;
- (iv) the Termination Date has not occurred; and
- (v) if the Administrative Agent has assumed exclusive control of the Collection Accounts, the Seller (or the Servicer on its behalf) shall have delivered to the Administrative Agent a Qualifying Report.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

SECTION 6.01 Representations and Warranties of the Seller. The Seller represents and warrants to each Purchaser Party as of the Closing Date, on each Settlement Date and on each day that an Investment or Release shall have occurred:

(a) Organization and Good Standing. The Seller is a limited liability company duly organized and validly existing in good standing under the laws of the State of Delaware and has full power and authority under its constitutional documents and under the laws of its jurisdiction to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) Due Qualification. The Seller is duly qualified to do business as a limited liability company, is in good standing, to the extent such concept is applicable, as a foreign limited liability company and has obtained all necessary licenses and approvals in all jurisdictions in which the conduct of its business requires such qualification, licenses or approvals, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization. The Seller (i) has all necessary limited liability company power and authority to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) perform its obligations under this Agreement and the other Transaction Documents to which it is a party and (C) grant a security interest in the Supporting Assets to the Administrative Agent on the terms and subject to the conditions herein provided and (ii) has duly authorized by all necessary limited liability company action such grant and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Agreement and the other Transaction Documents to which it is a party.

(d) Binding Obligations. This Agreement and each of the other Transaction Documents to which the Seller is a party has been duly authorized, validly executed and delivered by the Seller and constitutes the legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such

enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Conflict or Violation. The execution, delivery and performance and consummation of the transactions contemplated by, this Agreement and the other Transaction Documents to which the Seller is a party, and the fulfillment of the terms hereof and thereof, will not (i) conflict with, result in any breach of any of the terms or provisions of, or constitute (with or without notice or lapse of time or both) a default under its organizational documents or any indenture, sale agreement, credit agreement, loan agreement, security agreement, mortgage, deed of trust, or other agreement or instrument to which the Seller is a party or by which it or any of its properties is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of the Supporting Assets pursuant to the terms of any such indenture, credit agreement, loan agreement, security agreement, mortgage, deed of trust, or other agreement or instrument other than this Agreement and the other Transaction Documents or (iii) conflict with or violate any applicable Law.

(f) Litigation and Other Proceedings. (i) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Seller, threatened in writing, against the Seller before any Official Body and (ii) the Seller is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any Official Body that, in the case of either of the foregoing clauses (i) and (ii), (A) asserts the invalidity of this Agreement or any other Transaction Document, (B) seeks to prevent the grant of a security interest in any Supporting Assets by the Seller to the Administrative Agent, the ownership or acquisition by the Seller of any Pool Receivable or other Supporting Assets or the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document, (C) seeks any determination or ruling that could materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement or any other Transaction Document or (D) individually or in the aggregate for all such actions, suits, proceedings and investigations could reasonably be expected to have a Material Adverse Effect.

(g) Governmental Approvals. All authorizations, consents, orders and approvals of, or other actions by, any Official Body that are required to be obtained by the Seller in connection with the sale and/or grant of a security interest in the Supporting Assets to the Administrative Agent hereunder or the due execution, delivery and performance by the Seller of this Agreement or any other Transaction Document to which it is a party and the consummation by the Seller of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party have been obtained or made and are in full force and effect, except (i) for recordings and filings in connection with any security interests granted or to be granted to the Administrative Agent and the Secured Parties hereunder, (ii) those obtained or made on or prior to the Closing Date, (iii) those waived by the applicable Official Body and (iv) where the failure to have such authorization, consent, order, approval or action could not reasonably be expected to have a Material Adverse Effect.

(h) Margin Regulations. The Seller is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying

margin stock (within the meanings of Regulations T, U and X of the Board of Governors of the Federal Reserve System).

(i) Solvency. After giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, the Seller is Solvent.

(j) Offices; Legal Name. The Seller's sole jurisdiction of organization is the State of Delaware and such jurisdiction has not changed within four months prior to the date of this Agreement. The office of the Seller is located at 8 Moore Drive, Durham, NC 22709. The legal name of the Seller is Fortrea Receivables LLC.

(k) Investment Company Act; Volcker Rule. The Seller (i) is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act and (ii) is not a "covered fund" under the Volcker Rule. In determining that the Seller is not a "covered fund" under the Volcker Rule, the Seller relies on, and is entitled to rely on, the exemption from the definition of "investment company" set forth in Section 3(c)(5) of the Investment Company Act.

(l) No Material Adverse Effect. Since the date of formation of the Seller there has been no Material Adverse Effect with respect to the Seller.

(m) Accuracy of Information. All Pool Reports, Investment Requests, certificates, reports, statements, documents and other written information furnished to the Administrative Agent or any other Purchaser Party by or on behalf of the Seller pursuant to any provision of this Agreement or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement or any other Transaction Document, are, at the time the same are so furnished, complete and correct in all material respects on the date the same are furnished to the Administrative Agent or such other Purchaser Party, and do not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading, provided that any projections delivered to the Administrative Agent or any other Purchaser Party, including any financial performance projections delivered on or prior to the Closing Date, represent the Seller's good faith estimate (at the time of preparation and delivery thereof) of future financial performance and are based on assumptions believed by the Seller to be reasonable at the time of preparation and delivery, it being acknowledged and agreed by the Seller, the Administrative Agent and any other Purchaser Party that projections as to future events are not to be viewed as facts or a guarantee of financial performance and that the actual results during the period or periods covered by such projections may differ from the projected results and such differences may be material. Without limiting the foregoing, each calculation of the Aggregate Eligible Receivables Balance, the Adjusted Net Receivables Pool Balance, the Capital Coverage Amount, any Capital Coverage Deficit, the Net Receivables Pool Balance, the Specifically Reserved Dilution Amount and the Deferred Revenue Offset Amount, in any case, in or constituting a part of any such Pool Report, Investment Request, certificate, report, statement, document or other written information is true and correct as of the date thereof.

(n) Sanctions and International Trade Laws. Each Covered Entity, and its directors and officers, and any employee, agent, or affiliate acting on behalf of such Covered Entity: (i) is not a Sanctioned Person; (ii) does not do any business in or with, or derive any of its operating income from direct or indirect investments in or transactions involving, any Sanctioned Jurisdiction or Sanctioned Person; and (iii) is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in violation of applicable International Trade Laws. No Covered Entity nor any of its directors, officers, employees, or to the knowledge of any Seller-Related Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any International Trade Laws, or has received a request for information from any Official Body regarding International Trade Law matters. Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with applicable International Trade Laws. No Supporting Assets constitutes Blocked Property.

(o) Anti-Corruption Laws. Each Covered Entity, and its directors and officers, and any employee, agent, or affiliate acting on behalf of such Covered Entity, is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in violation of Anti-Corruption Laws, including any act in furtherance of an offer, payment, promise to pay, authorization, or ratification of payment, directly or indirectly, of any money or anything of value (including any gift, sample, rebate, travel, meal and lodging expense, entertainment, service, equipment, debt forgiveness, donation, grant or other thing of value, however characterized) to any Government Official or any Person to secure any improper advantage or to obtain or retain business. No Covered Entity nor any of its directors, officers, employees, or to the knowledge of any Seller-Related Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any Anti-Corruption Laws, or has received a request for information from any Official Body regarding Anti-Corruption Law matters. Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with Anti-Corruption Laws.

(p) Perfection Representations.

(i) This Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Seller's right, title and interest in, to and under the Supporting Assets which (A) security interest has been perfected and is enforceable against creditors of and purchasers from the Seller (other than such security interest in the Lock-Boxes and Collection Accounts, perfection of which is covered by Section 6.01(q) below) and (B) is free of all Adverse Claims in any Supporting Assets.

(ii) The Receivables constitute "accounts" or "general intangibles" within the meaning of Section 9-102 of the UCC.

(iii) The Seller owns and has good and marketable title to the Supporting Assets free and clear of any Adverse Claim of any Person.

(iv) All appropriate financing statements, financing statement amendments and continuation statements have been filed in the proper filing office in the appropriate jurisdictions under applicable Law in order to perfect (and continue the perfection of) the sale and contribution of the Receivables and Related Security from each Originator to the Seller pursuant to the Transfer Agreement and the Seller's sale and grant of a security interest in the Supporting Assets to the Administrative Agent pursuant to this Agreement.

(v) Other than the security interest granted to the Administrative Agent pursuant to this Agreement, the Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Supporting Assets except as permitted by this Agreement and the other Transaction Documents. The Seller has not authorized the filing of and is not aware of any financing statements filed against the Seller that include a description of collateral covering any Supporting Assets other than any financing statement (i) in favor of the Administrative Agent or (ii) that has been terminated. The Seller is not aware of any judgment lien, ERISA lien or tax lien filings against the Seller.

(vi) Notwithstanding any other provision of this Agreement or any other Transaction Document, the representations contained in this Section 6.01(p) shall be continuing and remain in full force and effect until the Final Payout Date.

(q) The Lock-Boxes and Collection Accounts.

(i) Nature of Collection Accounts. Each Collection Account constitutes a "deposit account" within the meaning of the applicable UCC.

(ii) Ownership. Each Lock-Box and Collection Account is in the name of the Seller, and the Seller (or, prior to the Post-Closing Date, an Originator) owns and has good and marketable title to the Collection Accounts free and clear of any Adverse Claim.

(iii) Perfection. On or prior to the Post-Closing Date, the Seller has delivered to the Administrative Agent a fully executed Account Control Agreement relating to each Lock-Box and Collection Account, pursuant to which each applicable Collection Account Bank has agreed to comply with the instructions generated by the Administrative Agent directing the disposition of funds in such Lock-Box and Collection Account without further consent by the Seller, the Servicer or any other Person. The Administrative Agent has "control" (as defined in Section 9-104 of the UCC) over each Collection Account.

(iv) Instructions. Neither the Lock-Boxes nor the Collection Accounts are in the name of any Person other than the Seller (or, prior to the Post-Closing Date, an

Originator). Neither the Seller nor the Servicer has consented to the applicable Collection Account Bank complying with instructions of any Person other than the Administrative Agent.

(r) Ordinary Course of Business. Each remittance of Collections by or on behalf of the Seller to the Purchaser Parties under this Agreement has been (i) in payment of a debt incurred by the Seller in the ordinary course of business or financial affairs of the Seller and (ii) made in the ordinary course of business or financial affairs of the Seller.

(s) Compliance with Law. The Seller has complied in all material respects with all Laws to which it or its properties may be subject.

(t) Bulk Sales Act. No transaction contemplated by this Agreement requires compliance by it with any bulk sales act or similar law.

(u) Eligible Receivables. Each Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance as of any date is an Eligible Receivable as of such date.

(v) Taxes. The Seller has (i) timely filed all tax returns (federal, state and local) required to be filed by it and (ii) paid, or caused to be paid, all Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(w) Tax Status. The Seller (i) is, and shall at all relevant times continue to be, a “disregarded entity” within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes that is wholly owned by a “United States person” (within the meaning of Section 7701(a)(30) of the Code) and (ii) is not and will not at any relevant time become an association (or publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes. The Seller is not subject to any Tax in any jurisdiction outside the United States. The Seller is not subject to material Taxes based on net income or gross receipts imposed by a state or local taxing authority.

(x) Opinions. The facts regarding the Seller, the Servicer, each Originator, the Performance Guarantor, the Receivables, the Related Security and the related matters set forth or assumed in each of the opinions of counsel delivered in connection with this Agreement and the Transaction Documents are true and correct in all material respects.

(y) Other Transaction Documents. Each representation and warranty made by the Seller under each other Transaction Document to which it is a party is true and correct in all material respects as of the date when made.

(z) No Linked Accounts. Except for any Permitted Linked Account, there are no Linked Accounts with respect to any Collection Account or any Excluded Account.

(aa) Liquidity Coverage Ratio. The Seller has not, does not and will not during this Agreement issue any LCR Security. The Seller further represents and warrants that its assets and liabilities are consolidated with the assets and liabilities of the Parent for purposes of GAAP.

(bb) Certificate of Beneficial Ownership. The Certificate of Beneficial Ownership executed and delivered to the Administrative Agent and the Purchasers for the Seller on or prior to the Closing Date, as updated from time to time in accordance with this Agreement, is accurate, complete and correct as of the Closing Date and as of the date any such update is delivered. The Seller acknowledges and agrees that the Certificate of Beneficial Ownership is one of the Transaction Documents.

(cc) Transaction Information. None of the Seller, any Affiliate of the Seller or any third party with which the Seller or any Affiliate thereof has contracted, has (i) delivered, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to each Conduit Purchaser prior to such delivery or (ii) participated in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Conduit Purchaser or its designee.

(dd) Plan Assets. The assets of the Seller do not constitute “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) and the Seller is not subject to any applicable law that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code that would be violated by the transactions contemplated by this Agreement or any other Transaction Documents.

(ee) ERISA.

(i) (A) Each Plan is in compliance in all respects with the applicable provisions of ERISA, the Code and other federal or state Laws, (B) each Plan that is intended to qualify under Section 401(a) of the Code has received from the IRS a favorable determination or opinion letter, which has not by its terms expired, that such Plan is so qualified, or such Plan is entitled to rely on an IRS advisory or opinion letter with respect to an IRS-approved master and prototype or volume submitter plan, or a timely application for such a determination or opinion letter is currently being processed by the IRS with respect thereto; and nothing has occurred which would prevent, or cause the loss of, such qualification and (C) Seller and each member of the ERISA Group have made all required contributions to each Pension Plan subject to Sections 412 or 430 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Sections 412 or 430 of the Code has been made with respect to any Pension Plan, except, as would not, individually, or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ii) (A) No ERISA Event has occurred within the last six (6) years or is reasonably expected to occur; (B) no Pension Plan has any unfunded pension liability (i.e., excess of benefit liabilities over the current value of that Pension Plan’s assets, determined pursuant to the assumptions used for funding the Pension Plan for the applicable plan year in accordance with Section 430 of the Code); (C) neither Seller nor

any member of the ERISA Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (D) neither Seller nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 of ERISA, with respect to a Multiemployer Plan; (E) neither Seller nor any member of the ERISA Group has received notice that a Multiemployer Plan is insolvent; (F) neither Seller nor any member of the ERISA Group has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA; and (G) no Pension Plan or Multiemployer Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan or Multiemployer Plan, except, in each case referred to in each of the foregoing clauses, where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(ff) Financial Statements. The Seller-Related Parties have delivered to the Administrative Agent copies of the Parent's audited consolidated year-end balance sheet, statement of income or operations, shareholders' equity and cash flows, for and as of the end of the Fiscal Year ended December 31, 2023 (all such annual statements being collectively referred to as the "Statements"). The Statements (i) were compiled from the books and records maintained by the Parent's management, (ii) fairly represent in all material respects the consolidated financial condition of the Parent and its Subsidiaries as of the respective dates thereof and the results of operations for the fiscal periods then ended in accordance with GAAP consistently applied throughout the period covered thereby, subject (in the case of the interim statements) to normal year-end audit adjustments utilized on a consistent basis, and (iii) have been prepared in accordance with GAAP consistently applied throughout the period covered thereby.

(gg) Permitted Receivables Financing. ~~he~~The facility established by this Agreement and the other Transaction Documents is permitted by, and constitutes a "Permitted Receivables Financing" under and as defined in, the First Lien Credit Agreement and the Senior Secured Notes Indenture, each as in effect on the relevant date of determination.

SECTION 6.02 Representations and Warranties of the Servicer. The Servicer represents and warrants to each Purchaser Party as of the Closing Date, on each Settlement Date and on each day that an Investment or Release shall have occurred:

(a) Organization and Good Standing. The Servicer is a duly organized and validly existing corporation in good standing under the laws of the State of Delaware, with the power and authority under its organizational documents and under the laws of Delaware to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) Due Qualification. The Servicer is duly qualified to do business, is in good standing, to the extent such concept is applicable, as a foreign entity and has obtained all

necessary licenses and approvals in all jurisdictions in which the conduct of its business or the servicing of the Pool Receivables as required by this Agreement requires such qualification, licenses or approvals, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization. The Servicer has all necessary power and authority to (i) execute and deliver this Agreement and the other Transaction Documents to which it is a party and (ii) perform its obligations under this Agreement and the other Transaction Documents to which it is a party and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Agreement and the other Transaction Documents to which it is a party have been duly authorized by the Servicer by all necessary action.

(d) Binding Obligations. This Agreement and each of the other Transaction Documents to which it is a party has been duly authorized, validly executed and delivered by the Servicer and constitutes the legal, valid and binding obligations of the Servicer, enforceable against the Servicer in accordance with their respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Conflict or Violation. The execution and delivery of this Agreement and each other Transaction Document to which the Servicer is a party, the performance and consummation of the transactions contemplated by this Agreement and the other Transaction Documents and the fulfillment of the terms of this Agreement and the other Transaction Documents by the Servicer will not (i) conflict with, result in any breach of any of the terms or provisions of, or constitute (with or without notice or lapse of time or both) a default under, the organizational documents of the Servicer or any indenture, sale agreement, credit agreement (including the First Lien Credit Agreement and the Senior Secured Notes Indenture), loan agreement, security agreement, mortgage, deed of trust or other agreement or instrument to which the Servicer is a party or by which it or any of its property is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such indenture, credit agreement, loan agreement, security agreement, mortgage, deed of trust or other agreement or instrument, other than this Agreement and the other Transaction Documents or (iii) conflict with or violate any applicable Law, except to the extent that any such conflict, breach, default, Adverse Claim or violation could not reasonably be expected to have a Material Adverse Effect.

(f) Litigation and Other Proceedings. There is no action, suit, proceeding or investigation pending, or to the Servicer's knowledge, threatened in writing, against the Servicer before any Official Body: (i) asserting the invalidity of this Agreement or any of the other Transaction Documents; (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document; or (iii) seeking any determination or ruling that would reasonably be expected to materially and adversely affect the

performance by the Servicer of its obligations under, or the validity or enforceability of, this Agreement or any of the other Transaction Documents.

(g) Governmental Approvals. All authorizations, consents, orders and approvals of, or other actions by, any Official Body that are required to be obtained by the Servicer in connection with the due execution, delivery and performance by the Servicer of this Agreement or any other Transaction Document to which it is a party and the consummation by the Servicer of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party have been obtained or made and are in full force and effect, except (i) for recordings and filings in connection with any security interests granted or to be granted to the Seller, the Administrative Agent and the Secured Parties hereunder and under the Sale and Contribution Agreement, (ii) those obtained or made on or prior to the Closing Date, (iii) those waived by the applicable Official Body and (iv) where the failure to have such authorization, consent, order, approval or action could not reasonably be expected to have a Material Adverse Effect.

(h) Compliance with Law. The Servicer (i) shall duly satisfy all obligations on its part to be fulfilled under or in connection with the Pool Receivables and the related Contracts, (ii) has maintained in effect all qualifications required under applicable Law in order to properly service the Pool Receivables and (iii) has complied in all material respects with all applicable Laws in connection with servicing the Pool Receivables.

(i) Accuracy of Information. All Pool Reports, Investment Requests, certificates, reports, statements, documents and other written information furnished to the Administrative Agent or any other Purchaser Party by the Servicer pursuant to any provision of this Agreement or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement or any other Transaction Document, are, at the time the same are so furnished, complete and correct in all material respects on the date the same are furnished to the Administrative Agent or such other Purchaser Party, and do not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading, provided that any projections delivered to the Administrative Agent or any other Purchaser Party, including any financial performance projections delivered on or prior to the Closing Date, represent the Servicer's good faith estimate (at the time of preparation and delivery thereof) of future financial performance and are based on assumptions believed by the Servicer to be reasonable at the time of preparation and delivery, it being acknowledged and agreed by the Servicer, the Administrative Agent and any other Purchaser Party that projections as to future events are not to be viewed as facts or a guarantee of financial performance and that the actual results during the period or periods covered by such projections may differ from the projected results and such differences may be material. Without limiting the foregoing, each calculation of the Aggregate Eligible Receivables Balance, the Adjusted Net Receivables Pool Balance, the Capital Coverage Amount, any Capital Coverage Deficit, the Net Receivables Pool Balance, the Specifically Reserved Dilution Amount and the Deferred Revenue Offset Amount, in any case, in or constituting a part of any such Pool Report, Investment Request, certificate, report, statement, document or other written information is true and correct as of the date thereof.

(j) Location of Records. The offices where the Servicer keeps all of its records relating to the servicing of the Pool Receivables are located at the Servicer's address for notices specified in Schedule III hereto.

(k) Credit and Collection Policy. The Servicer has complied in all material respects with the Credit and Collection Policy with regard to each Pool Receivable and the related Contracts.

(l) Eligible Receivables. Each Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance as of any date is an Eligible Receivable as of such date.

(m) Servicing Programs. No license or approval is required for the Administrative Agent's use of any software or other computer program used by the Servicer, any Originator or any Sub-Servicer in the servicing of the Pool Receivables, other than those which have been obtained and are in full force and effect and those the failure to obtain which would not reasonably be expected to have a Material Adverse Effect.

(n) Servicing of Pool Receivables. Since the Closing Date there has been no material adverse change in the ability of the Servicer or any Sub-Servicer to service and collect the Pool Receivables and the Related Security.

(o) Other Transaction Documents. Each representation and warranty made by the Servicer under each other Transaction Document to which it is a party (including the Transfer Agreement) is true and correct in all material respects as of the date when made.

(p) No Material Adverse Effect. Since December 31, 2023 there has been no Material Adverse Effect on the Servicer.

(q) Investment Company Act. The Servicer is not an "investment company," or a company "controlled" by an "investment company," registered or required to be registered within the meaning of the Investment Company Act.

(r) Sanctions and International Trade Laws. Each Covered Entity, and its directors and officers, and any employee, agent, or affiliate acting on behalf of such Covered Entity: (i) is not a Sanctioned Person; (ii) does not do any business in or with, or derive any of its operating income from direct or indirect investments in or transactions involving, any Sanctioned Jurisdiction or Sanctioned Person; and (iii) is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act causing any Covered Entity to be in violation of applicable International Trade Laws. No Covered Entity nor any of its directors, officers, employees, or to the knowledge of any Seller-Related Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any International Trade Laws, or has received a request for information from any Official Body regarding International Trade Law matters. Each Covered Entity has instituted and maintains policies and procedures reasonably

designed to ensure compliance with applicable International Trade Laws. No Supporting Assets constitutes Blocked Property.

(s) Anti-Corruption Laws. Each Covered Entity, and its directors and officers, and any employee, agent, or affiliate acting on behalf of such Covered Entity, is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in violation of Anti-Corruption Laws, including any act in furtherance of an offer, payment, promise to pay, authorization, or ratification of payment, directly or indirectly, of any money or anything of value (including any gift, sample, rebate, travel, meal and lodging expense, entertainment, service, equipment, debt forgiveness, donation, grant or other thing of value, however characterized) to any Government Official or any Person to secure any improper advantage or to obtain or retain business. No Covered Entity nor any of its directors, officers, employees, or to the knowledge of any Seller-Related Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any Anti-Corruption Laws, or has received a request for information from any Official Body regarding Anti-Corruption Law matters. Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with Anti-Corruption Laws.

(t) Bulk Sales Act. No transaction contemplated by this Agreement requires compliance by it with any bulk sales act or similar law.

(u) Taxes. The Servicer has (i) timely filed all income and other material tax returns (federal, state and local) required to be filed by it and (ii) paid, or caused to be paid, all income and other material Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(v) No Linked Accounts. Except for any Permitted Linked Account, there are no Linked Accounts with respect to any Collection Account or any Excluded Account.

(w) Opinions. The facts regarding the Seller, the Servicer, each Originator, the Performance Guarantor, the Receivables, the Related Security and the related matters set forth or assumed in each of the opinions of counsel delivered in connection with this Agreement and the Transaction Documents are true and correct in all material respects.

(x) Transaction Information. None of the Servicer, any Affiliate of the Servicer or any third party with which the Servicer or any Affiliate thereof has contracted, has (i) delivered, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to each Conduit Purchaser prior to such delivery or (ii) participated in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Conduit Purchaser or its designee.

(y) ERISA.

(i) (A) Each Plan is in compliance in all respects with the applicable provisions of ERISA, the Code and other federal or state Laws, (B) each Plan that is intended to qualify under Section 401(a) of the Code has received from the IRS a favorable determination or opinion letter, which has not by its terms expired, that such Plan is so qualified, or such Plan is entitled to rely on an IRS advisory or opinion letter with respect to an IRS-approved master and prototype or volume submitter plan, or a timely application for such a determination or opinion letter is currently being processed by the IRS with respect thereto; and nothing has occurred which would prevent, or cause the loss of, such qualification and (C) Servicer and each member of the ERISA Group have made all required contributions to each Pension Plan subject to Sections 412 or 430 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Sections 412 or 430 of the Code has been made with respect to any Pension Plan, except, as would not, individually, or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ii) (A) No ERISA Event has occurred within the last six (6) years or is reasonably expected to occur; (B) no Pension Plan has any unfunded pension liability (i.e., excess of benefit liabilities over the current value of that Pension Plan's assets, determined pursuant to the assumptions used for funding the Pension Plan for the applicable plan year in accordance with Section 430 of the Code); (C) neither Seller nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (D) neither Seller nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 of ERISA, with respect to a Multiemployer Plan; (E) neither Seller nor any member of the ERISA Group has received notice that a Multiemployer Plan is insolvent; (F) neither Seller nor any member of the ERISA Group has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA; and (G) no Pension Plan or Multiemployer Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan or Multiemployer Plan, except, in each case referred to in each of the foregoing clauses, where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(z) Financial Statements. The Seller has delivered to the Administrative Agent copies of the Parent's Statements. The Statements (i) were compiled from the books and records maintained by the Parent's management, (ii) fairly represent in all material respects the consolidated financial condition of the Parent and its Subsidiaries as of the respective dates thereof and the results of operations for the fiscal periods then ended in accordance with GAAP consistently applied throughout the period covered thereby, subject (in the case of the interim statements) to normal year-end audit adjustments utilized on a consistent basis, and (iii) have

been prepared in accordance with GAAP consistently applied throughout the period covered thereby, subject (in the case of the interim statements) to normal year-end audit adjustments utilized on a consistent basis.

(aa) Permitted Receivables Financing. The facility established by this Agreement and the other Transaction Documents is permitted by, and constitutes a “Permitted Receivables Financing” under and as defined in, the First Lien Credit Agreement and the Senior Secured Notes Indenture, each as in effect on the relevant date of determination.

ARTICLE VII

COVENANTS

SECTION 7.01 Covenants of the Seller. At all times from the Closing Date until the Final Payout Date:

(a) Payment of Capital and Yield. The Seller shall duly and punctually pay Capital, Yield, Fees and all other amounts payable by the Seller hereunder in accordance with the terms of this Agreement.

(b) Existence. The Seller shall keep in full force and effect its existence and rights as a limited liability company under the laws of the State of Delaware, and shall obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, the other Transaction Documents and the Supporting Assets.

(c) Financial Reporting. The Seller will maintain a system of accounting established and administered in all material respects in accordance with GAAP, and the Seller (or the Servicer on its behalf) shall furnish to the Administrative Agent:

(i) Annual Financial Statements of the Seller. Promptly upon completion and in no event later than ninety (90) days after the end of each Fiscal Year of the Seller, annual unaudited financial statements of the Seller certified by an Authorized Officer of the Seller that they fairly present in all material respects, in accordance with GAAP, the financial condition of the Seller as of the date indicated and the results of its operations for the periods indicated.

(ii) Pool Reports. At all times following effectiveness of the amendment hereto described in Section 5.02(a)(iii), (A) not later than two Business Days before each Monthly Settlement Date, a Monthly Report as of the as of the most recently completed Fiscal Month, and (B) at any time when a Weekly Reporting Period is in effect, not later than each Weekly Reporting Date, a Weekly Report as of the last Business Day of the preceding calendar week.

(iii) Quarterly Financial Statements of Parent. Not later than the date that is forty-five (45) days after the end of the first three Fiscal Quarters of each Fiscal Year (or such later date on which Parent is permitted to file a Form 10-Q under the

Exchange Act, including under Rule 12b-25 of the Exchange Act), a copy of the unaudited consolidated balance sheet of the Parent and its Subsidiaries, and the related consolidated statements of income, shareholders' equity and cash flows as of the end of such Fiscal Quarter and for the portion of the Fiscal Year then ended, all certified on behalf of the Parent by an appropriate Authorized Officer of the Parent as fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of the Parent and its Subsidiaries, subject to year-end and audit adjustments and the absence of footnote disclosures.

(iv) Annual Financial Statements of Parent. Not later than the date that is ninety (90) days after the end of each Fiscal Year (or such later date on which Parent is permitted to file a Form 10-K under the Exchange Act, including under Rule 12b-25 of the Exchange Act), a copy of the audited consolidated balance sheet of the Parent and its Subsidiaries as at the end of such year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, and accompanied by the report of Deloitte & Touche LLP or any other "Big Four" or other nationally-recognized independent certified public accounting firm, which report shall (i) contain an unqualified opinion, stating that such consolidated financial statements present fairly in all material respects the financial position for the periods indicated in conformity with GAAP and (ii) which opinion shall not be qualified as to the scope of audit or as to the status of the Parent and its Subsidiaries as a going concern or like qualification other than a "going concern" qualification due to (x) the impending maturity of Indebtedness permitted under Section 5.5 of the First Lien Credit Agreement that is scheduled to occur within twelve (12) months of such audit (as in effect on the Closing Date without giving effect to any subsequent amendment, restatement, waiver or supplement thereof or thereto unless (1) such amendment, restatement, waiver or supplement is consented to by the Administrative Agent in writing, or (2) the Administrative Agent (or an Affiliate thereof) is a lender under the First Lien Credit Agreement on or after the date of such amendment, restatement, waiver or supplement thereof), (y) any actual or potential inability to satisfy any financial covenants applicable to any Indebtedness or (z) the activities, operations, financial results, assets or liabilities of any "Unrestricted Subsidiary" as defined in the First Lien Credit Agreement (as in effect on the Closing Date without giving effect to any subsequent amendment, restatement, waiver or supplement thereof or thereto unless (1) such amendment, restatement, waiver or supplement is consented to by the Administrative Agent in writing, or (2) the Administrative Agent (or an Affiliate thereof) is a lender under the First Lien Credit Agreement on or after the date of such amendment, restatement, waiver or supplement thereof).

(v) Compliance Certificate. Within five (5) Business Days following delivery of the financial statements furnished to the Administrative Agent and to the Purchasers pursuant to Sections 7.01(c)(iii) and 7.01(c)(iv), a certificate (each, a "Compliance Certificate") of the Parent signed by the Chief Executive Officer, President or Chief Financial Officer of the Parent, in the form of Exhibit F.

(vi) SEC Filings and other Material Reports. Promptly upon their becoming available to the Seller, public SEC filings and other material reports, including SEC Form 8-K, registration statements, proxies, prospectuses, financial statements and other shareholder communications, filed by the Seller-Related Parties with the SEC (all of which may be provided by means of delivery of the applicable SEC Form or filing, and which will be deemed delivered upon (i) the posting of such information on the Parent's website or (ii) the making of such information available on any Platform).

(vii) Other Information. Such other information (including non-financial information) as the Administrative Agent or any Purchaser may from time to time reasonably request.

Notwithstanding the foregoing, the obligations in clauses (iii) and (iv) of this Section 7.01(c) may be satisfied with respect to financial information of the Parent and its Subsidiaries by furnishing (A) the applicable financial statements of the Parent (or any direct or indirect parent of the Parent Borrower) or (B) the Parent's (or any direct or indirect parent thereof), as applicable, Form 10-K or 10-Q, as applicable, filed with the SEC; provided that with respect to clauses (A) and (B), (i) to the extent such information relates to a parent of the Parent, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to the Parent (or such parent), on the one hand, and the information relating to the Parent and its Subsidiaries on a stand-alone basis, on the other hand and (ii) to the extent such information is in lieu of information required to be provided under Section 7.01(c)(iv), such materials are accompanied by a report and opinion of Deloitte & Touche LLP or any other "Big Four" or other nationally-recognized independent certified public accounting firm, which report and opinion shall be prepared in accordance with generally accepted auditing standards and, except as permitted in Section 7.01(c)(iv), which opinion shall not be qualified as to the scope of audit or as to the status of Parent and its Subsidiaries as a going concern or like qualification.

(d) Notices. The Seller (or the Servicer on its behalf) will notify the Administrative Agent in writing of any of the following events promptly upon (but in no event later than five (5) Business Days after, unless otherwise specified below) an Authorized Officer or other officer learning of the occurrence thereof, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto:

(i) Notice of Events of Default or Potential Defaults. A statement of an Authorized Officer of the Seller setting forth details of any Event of Default or Potential Default that has occurred and is continuing and the action which the Seller proposes to take with respect thereto.

(ii) Representations and Warranties. The failure of any representation or warranty made or deemed to be made by the Seller under this Agreement or any other Transaction Document to be true and correct in any material respect when made.

(iii) Litigation. The institution of any litigation, arbitration proceeding or governmental proceeding with respect to the Seller, the Servicer, the Performance Guarantor or any Originator, which with respect to any Person other than the Seller, could reasonably be expected to have a Material Adverse Effect.

(iv) Adverse Claim. (A) Any Person shall obtain an Adverse Claim upon any Supporting Assets, (B) any Person other than the Seller, the Servicer or the Administrative Agent shall obtain any rights or direct any action with respect to any Collection Account (or related Lock-Box) or (C) any Obligor shall receive any change in payment instructions with respect to Pool Receivable(s) from a Person other than the Servicer or the Administrative Agent.

(v) Name/Organization Changes. At least twenty (20) days before any change in any Originator's or the Seller's name, jurisdiction of organization or any other change requiring the amendment of UCC financing statements.

(vi) Change in Accountants or Accounting Policy. Any change in (A) the external accountants of any Seller-Related Party, (B) any accounting policy of the Seller or (C) any material accounting policy of any Originator that is relevant to the transactions contemplated by this Agreement or any other Transaction Document (it being understood that any change to the manner in which any Originator accounts for the Pool Receivables shall be deemed "material" for such purpose).

(vii) Transfer Termination Event. The occurrence of any Transfer Termination Event.

(viii) Material Adverse Change. Promptly after the occurrence thereof, notice of any material adverse change in the business, operations, property or financial or other condition of the Seller, the Servicer, the Performance Guarantor or any Originator.

(ix) ERISA Event. Immediately upon the occurrence of any ERISA Event, notice in writing setting forth the details thereof and the action which the Seller-Related Parties propose to take with respect thereto.

(e) Conduct of Business. The Seller will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and will do all things necessary to remain duly organized, validly existing and in good standing as a domestic organization in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(f) Compliance with Laws. The Seller will comply with all applicable Laws to which it may be subject if the failure to comply could reasonably be expected to have a Material Adverse Effect.

(g) Furnishing of Information and Inspection of Receivables. The Seller will furnish or cause to be furnished to the Administrative Agent from time to time such information with respect to the Pool Receivables and the other Supporting Assets as the Administrative Agent or any Purchaser may reasonably request. The Seller will, at the Seller's expense, during regular business hours with at least three (3) Business Days' prior written notice (i) permit the Administrative Agent or its agents or representatives to (A) examine and make copies of and abstracts from all books and records relating to the Pool Receivables or other Supporting Assets, (B) visit the offices and properties of the Seller for the purpose of examining such books and records and (C) discuss matters relating to the Pool Receivables, the other Supporting Assets or the Seller's performance hereunder or under the other Transaction Documents to which it is a party with any of the officers, directors, employees or independent public accountants of the Seller having knowledge of such matters and (ii) without limiting the provisions of clause (i) above, during regular business hours, at the Seller's expense, upon at least three (3) Business Days' prior written notice from the Administrative Agent, permit certified public accountants or other auditors acceptable to the Administrative Agent to conduct a review of its books and records with respect to such Pool Receivables and other Supporting Assets; provided, that the Seller shall be required to reimburse the Administrative Agent for only one (1) such review pursuant to clause (ii) above in any twelve-month period, unless an Event of Default or Potential Default has occurred and is continuing.

(h) Payments on Receivables, Collection Accounts and Excluded Accounts. The Seller (or the Servicer on its behalf) will, and will cause each Originator to, at all times, instruct all Obligor to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box or, unless instructed otherwise by the Administrative Agent with a prior 30 (thirty) days' written notice, solely with respect to Pool Receivables not denominated in either Dollars or an Alternative Currency, an Excluded Account. The Seller (or the Servicer on its behalf) will, and will cause each Originator to, at all times, maintain such books and records necessary to identify Collections received from time to time on Pool Receivables and to segregate such Collections from other property of the Servicer and the Originators. If any payments on the Pool Receivables or other Collections are received by the Seller, the Servicer or an Originator, it shall hold such payments in trust for the benefit of the Administrative Agent, the Purchasers and the other Secured Parties and promptly (but in any event within two (2) Business Days after receipt) remit such funds into a Collection Account. The Seller (or the Servicer on its behalf) will cause each Collection Account Bank to comply with the terms of each applicable Account Control Agreement. The Seller shall not permit funds other than Collections on Pool Receivables and other Supporting Assets (or funds returned to the applicable account in respect of returned checks, chargebacks for insufficient funds and similar customary settlement items) to be deposited into any Collection Account or Excluded Account. If such funds are nevertheless deposited into any Collection Account or Excluded Account, the Seller (or the Servicer on its behalf) will within two (2) Business Days identify and transfer such funds to the appropriate Person entitled to such funds. The Seller will not, and will not permit the Servicer, any

Originator or any other Person to commingle Collections or other funds to which the Administrative Agent, any Purchaser or any other Secured Party is entitled, with any other funds. The Seller shall only add a Collection Account (or a related Lock-Box) or a Collection Account Bank to those listed on Schedule II to this Agreement if the Administrative Agent has received notice of such addition and an executed and acknowledged copy of an Account Control Agreement (or an amendment thereto) in form and substance acceptable to the Administrative Agent from the applicable Collection Account Bank. The Seller shall only terminate a Collection Account Bank or close a Collection Account (or a related Lock-Box) with the prior written consent of the Administrative Agent. From and after the Post-Closing Date, the Seller shall ensure that no disbursements are made from any Collection Account, other than such disbursements that are made at the direction and for the account of the Seller.

The Seller shall at all times cause each Excluded Account (A) to be maintained by an Originator as the account-holder thereof for the benefit of such Originator, the Seller or the Administrative Agent (and not for the benefit of any other Person), (B) to not be under the “control” (as defined in Section 9-104 of the UCC) of any Person, other than the applicable Excluded Account Bank (solely in its capacity as such and not for purposes of securing debt for borrowed money), such Originator or the Administrative Agent, and (C) to be used solely for purposes of collecting proceeds of Pool Receivables that are not denominated in either Dollars or an Alternative Currency. The Seller shall not permit any Excluded Account Bank to be terminated or any Excluded Account to be closed, except with the Administrative Agent’s prior written consent.

(i) Sales, Liens, etc. Except as otherwise provided herein, the Seller will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon (including the filing of any financing statement) or with respect to, any Pool Receivable or other Supporting Assets, or assign any right to receive income in respect thereof.

(j) Extension or Amendment of Pool Receivables. Except as otherwise permitted in Section 8.02, the Seller will not, and will not permit the Servicer to, alter the delinquency status or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract. The Seller shall at its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy with regard to each Pool Receivable and the related Contract.

(k) Change in Credit and Collection Policy. The Seller will not make any material change in the Credit and Collection Policy without the prior written consent of the Administrative Agent and the Required Purchasers. Promptly following any change in the Credit

and Collection Policy, the Seller will deliver a copy of the updated Credit and Collection Policy to the Administrative Agent.

(l) Fundamental Changes. The Seller shall not, without the prior written consent of the Administrative Agent and the Required Purchasers, permit itself (i) to merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, (ii) undertake any LLC Division or any other division of its rights, assets, obligations, or liabilities pursuant to a plan of division or otherwise pursuant to Law or (iii) to be directly owned by any Person other than an Originator. The Seller shall not, without the prior written consent of the Administrative Agent and the Required Purchasers, make any change in the Seller's name, identity, corporate structure or location or make any other change in the Seller's identity or corporate structure that could impair or otherwise render any UCC financing statement filed in connection with this Agreement or any other Transaction Document "seriously misleading" as such term (or similar term) is used in the applicable UCC.

(m) Books and Records. The Seller shall maintain and implement (or cause the Servicer to maintain and implement) administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain (or cause the Servicer to keep and maintain) all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(n) Identifying of Records. The Seller shall: (i) identify (or cause the Servicer to identify) its master data processing records relating to Pool Receivables and related Contracts with a legend that indicates that the Pool Receivables have been pledged in accordance with this Agreement and (ii) cause each Originator so to identify its master data processing records with such a legend.

(o) Change in Payment Instructions to Obligors. The Seller shall not (and shall not permit the Servicer or any Sub-Servicer to) add, replace or terminate any Collection Account (or any related Lock-Box) or make any change in its (or their) instructions to the Obligors regarding payments to be made to the Collection Accounts (or any related Lock-Box), other than any instruction to remit payments to a different Collection Account (or any related Lock-Box), unless the Administrative Agent shall have received (i) prior written notice of such addition, termination or change and (ii) a signed and acknowledged Account Control Agreement (or an amendment thereto) with respect to such new Collection Accounts (or any related Lock-Box), and the Administrative Agent shall have consented to such change in writing.

(p) Security Interest, Etc. The Seller shall (and shall cause the Servicer to), at its expense, take all action necessary or reasonably requested by the Administrative Agent to establish and maintain a valid and enforceable first priority perfected ownership or security interest in the Supporting Assets, in each case free and clear of any Adverse Claim, in favor of the Administrative Agent (on behalf of the Secured Parties), including taking such action to

perfect, protect or more fully evidence the security interest of the Administrative Agent (on behalf of the Secured Parties) as the Administrative Agent may reasonably request. In order to evidence the security interests of the Administrative Agent under this Agreement, the Seller shall, from time to time take such action, or execute and deliver such instruments as may be necessary (including such actions as are reasonably requested by the Administrative Agent) to maintain and perfect, as a first-priority interest, the Administrative Agent's security interest in the Receivables, Related Security and Collections. The Seller shall, from time to time and within the time limits established by law, prepare and present to the Administrative Agent for the Administrative Agent's authorization and approval, all financing statements, amendments, continuations or initial financing statements in lieu of a continuation statement, or other filings necessary to continue, maintain and perfect the Administrative Agent's security interest as a first-priority interest. The Administrative Agent's approval of any such filings shall authorize the Seller to file such financing statements under the UCC without the signature of the Seller, any Originator or the Administrative Agent where allowed by applicable Law. Notwithstanding anything else in the Transaction Documents to the contrary, the Seller shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes collateral of such financing statements filed in connection with the Transaction Documents, without the prior written consent of the Administrative Agent.

(q) Certain Agreements. Without the prior written consent of the Administrative Agent and the Required Purchasers, the Seller will not (and will not permit any Originator or the Servicer to) amend, modify, waive, revoke or terminate any Transaction Document to which it is a party or any provision of the Seller's organizational documents which requires the consent of the "Independent Manager" (as such term is used in the Seller's certificate of formation and amended and restated limited liability company agreement).

(r) Restricted Payments.

(i) Except pursuant to clause (ii) below, the Seller will not: (A) purchase or redeem any of its membership interests, (B) declare or pay any dividend or set aside any funds for any such purpose, (C) prepay, purchase or redeem any Indebtedness, (D) lend or advance any funds or (E) repay any loans or advances (including any Subordinated Loan) to, for or from any of its Affiliates (the amounts described in clauses (A) through (E) being referred to as "Restricted Payments").

(ii) Payments of principal and interest on any Subordinated Loan may be made on each Settlement Date pursuant to Section 3.01(a)(vi) to the extent funds are available therefor in accordance with the priorities for payment set forth in Section 3.01(a). In addition, on any Settlement Date solely from amounts paid to the Seller for its own account pursuant to Section 3.01(a)(v) after all payments and allocations required to be made pursuant to Section 3.01(a) have been made on such Settlement Date, the Seller may declare and pay dividends to Fortrea, repay any Subordinated Loan or pay interest accrued on any Subordinated Loan, in each case, only so long as no Event of Default or Potential Default has occurred and is continuing or would result therefrom; provided,

however, that if any Subordinated Loan is outstanding, the Seller shall not declare or pay any dividends to Fortrea if the Seller's Net Worth would be less than the Required Capital Amount immediately after giving effect to such dividend.

(s) Other Business. The Seller will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents, (ii) create, incur or permit to exist any Indebtedness of any kind (or cause or permit to be issued for its account any letters of credit or bankers' acceptances) other than pursuant to this Agreement or the Subordinated Loans or (iii) form any Subsidiary or make any investments in any other Person.

(t) Use of Collections Available to the Seller. The Seller shall apply Collections available to the Seller to make payments in accordance with Section 3.01(a) or as otherwise permitted under the terms of this Agreement.

(u) Further Assurances; Change in Name or Jurisdiction of Origination, etc. The Seller hereby authorizes and hereby agrees from time to time, at its own expense, promptly to execute (if necessary) and deliver all further instruments and documents, and to take all further actions, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence the security interest granted pursuant to this Agreement or any other Transaction Document, or to enable the Administrative Agent (on behalf of the Secured Parties) to exercise and enforce their respective rights and remedies under this Agreement or any other Transaction Document. Without limiting the foregoing, the Seller hereby authorizes, and will, upon the request of the Administrative Agent, at the Seller's own expense, execute (if necessary) and file such financing statements or continuation statements, or amendments thereto, and such other instruments and documents, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or evidence any of the foregoing.

(i) The Seller authorizes the Administrative Agent to file financing statements, continuation statements and amendments thereto and assignments thereof, relating to the Receivables, the Related Security, the related Contracts, Collections with respect thereto and the other Supporting Assets without the signature of the Seller. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law.

(ii) The Seller shall at all times be organized under the laws of the State of Delaware and shall not take any action to change its jurisdiction of organization unless prior notice is provided in accordance with Section 7.01(d)(v).

(iii) The Seller will not change its name, location, identity or corporate structure unless (x) prior notice is provided in accordance with Section 7.01(d)(v), (y) the Seller, at its own expense, shall have taken all action necessary or appropriate to perfect or maintain the perfection of the security interest under this Agreement (including the filing of all financing statements and the taking of such other action as the Administrative Agent may request in connection with such change or relocation) and (z) if requested by the Administrative Agent, the Seller shall cause to be delivered to the Administrative

Agent, an opinion, in form and substance satisfactory to the Administrative Agent as to such UCC perfection and priority matters as the Administrative Agent may request at such time.

(v) Sanctions; Anti-Money Laundering Laws; Anti-Corruption Laws; International Trade Laws. The Seller shall:

(i) (A) immediately notify each Purchaser Party in writing upon the occurrence of a Reportable Compliance Event; (B) immediately provide substitute Supporting Assets to the Administrative Agent if, at any time, any Supporting Assets becomes Blocked Property; and (C) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws and maintain in effect policies and procedures reasonably designed to ensure compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws by each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity in connection with this Agreement;

(ii) not, and not permit any of its Subsidiaries to, do any of the following, nor permit its or their respective directors, officers, employees, agents or affiliates acting on its or their behalf in connection with this Agreement to: (A) become a Sanctioned Person; (B) directly or indirectly, provide, use, or make available any Investments or the proceeds thereof hereunder (w) to fund any activities or business of, with, or for the benefit of any Person that, at the time of such funding or facilitation, is a Sanctioned Person, (x) to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction, (y) in any manner that could result in a violation by any Person of Anti-Corruption Law, Anti-Money Laundering, or International Trade Laws (including any Purchaser Party, underwriter, advisor, investor, or otherwise) or (z) in violation of any applicable Law, including, without limitation, any applicable Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (C) repay any Seller Obligations with Blocked Property or funds derived from any unlawful activity; or (D) permit any Supporting Assets to become Blocked Property; and

(iii) not directly or indirectly provide, use, or make available any Investments or the proceeds thereof to any of such Seller-Related Party's Subsidiaries that is not a Seller-Related Party.

(w) Seller's Net Worth. If any Subordinated Loan remains outstanding, the Seller shall not permit the Seller's Net Worth to be less than the Required Capital Amount.

(x) Taxes. The Seller shall (i) timely file all tax returns (federal, state and local) required to be filed by it and (ii) pay, or cause to be paid, all Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(y) Seller's Tax Status. The Seller shall remain a wholly-owned subsidiary of a United States person (within the meaning of Section 7701(a)(30) of the Code) and not be subject to withholding under Section 1446 of the Code. The Seller shall not (i) be treated other than as a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3 that is wholly owned by a "United States person" within the meaning of Section 7701(a)(30) of the Code for U.S. federal income tax purposes, (ii) become an association taxable as a corporation or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, (iii) become subject to any Tax in any jurisdiction outside the United States or (iv) become subject to any material tax imposed by a state or local taxing authority.

(z) Minimum Funding Threshold. At all times following satisfaction of the conditions precedent specified in Section 5.02(a), the Seller shall cause the Aggregate Capital to equal or exceed the Minimum Funding Threshold at all times unless and until the Termination Date occurs.

(aa) Liquidity Coverage Ratio. The Seller shall not issue any LCR Security.

(bb) Certificate of Beneficial Ownership and Other Additional Information. The Seller shall provide to the Administrative Agent and the Purchasers: (i) confirmation of the accuracy of the information set forth in the most recent Certificate of Beneficial Ownership provided to the Administrative Agent and the Purchasers; (ii) a new Certificate of Beneficial Ownership, in form and substance acceptable to the Administrative Agent and each Purchaser, when the individual(s) to be identified as a Beneficial Owner have changed; and (iii) such other information and documentation as may reasonably be requested by the Administrative Agent or any Purchaser from time to time for purposes of compliance by the Administrative Agent or such Purchaser with applicable Laws (including the USA PATRIOT Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by the Administrative Agent or such Purchaser to comply therewith.

(cc) Transaction Information. The Seller shall not deliver, and shall prohibit its Affiliates and any third party with which the Seller or any Affiliate thereof has contracted from delivering, in writing or orally, any Transaction Information to any Rating Agency without first providing such Transaction Information to each Conduit Purchaser. The Seller shall not participate, and shall prohibit its Affiliates and any third party with which the Seller or any Affiliate thereof has contracted from participating, in any oral communications with respect to Transaction Information with any Rating Agency without the participation of each Conduit Purchaser.

(dd) Linked Accounts. Except for any Permitted Linked Account, the Seller shall not permit any Linked Account to exist with respect to any Collection Account or any Excluded Account; provided, however, that at any time during the continuance of an Event of Default, the Seller shall, if so instructed by the Administrative Agent (in its sole discretion), cause each Permitted Linked Account to cease being a "Linked Account" promptly, but not later than two (2) Business Days following the Seller's or the Servicer's receipt of such instruction.

SECTION 7.02 Covenants of the Servicer. At all times from the Closing Date until the Final Payout Date:

(a) Existence. The Servicer shall keep in full force and effect its existence and rights as a corporation or other entity under the laws of the State of Delaware. The Servicer shall obtain and preserve its qualification to do business in each jurisdiction in which the conduct of its business or the servicing of the Pool Receivables as required by this Agreement requires such qualification, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Financial Reporting. The Servicer will maintain a system of accounting established and administered in accordance with GAAP, and the Servicer shall furnish to the Administrative Agent each of the financial statements, certifications, reports (including Pool Reports), filings and other documents and information required to be delivered by the Seller pursuant to Section 7.01(c) when due to be delivered by the Seller thereunder.

(c) Notices. The Servicer will notify the Administrative Agent in writing of any of the following events promptly upon (but in no event later than five (5) Business Days after, unless otherwise specified below) an Authorized Officer or other officer learning of the occurrence thereof, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto:

(i) Notice of Events of Default or Potential Defaults. A statement of an Authorized Officer of the Servicer setting forth details of any Event of Default or Potential Default that has occurred and is continuing and the action which the Servicer proposes to take with respect thereto.

(ii) Representations and Warranties. The failure of any representation or warranty made or deemed made by the Servicer under this Agreement or any other Transaction Document to be true and correct in any material respect when made.

(iii) Litigation. The institution of any litigation, arbitration proceeding or governmental proceeding which could reasonably be expected to have a Material Adverse Effect.

(iv) Adverse Claim. (A) Any Person shall obtain an Adverse Claim upon the Supporting Assets or any portion thereof, (B) any Person other than the Seller, the Servicer or the Administrative Agent shall obtain any rights or direct any action with respect to any Collection Account (or related Lock-Box) or (C) any Obligor shall receive any change in payment instructions with respect to Pool Receivable(s) from a Person other than the Servicer or the Administrative Agent.

(v) Name/Organization Changes. At least twenty (20) days before any change in any Originator's or the Seller's name, jurisdiction of organization or any other change requiring the amendment of UCC financing statements.

(vi) Change in Accountants or Accounting Policy. Any change in (A) the external accountants of any Seller-Related Party, (B) any accounting policy of the Seller or (C) any material accounting policy of any Originator that is relevant to the transactions contemplated by this Agreement or any other Transaction Document (it being understood that any change to the manner in which any Originator accounts for the Pool Receivables shall be deemed “material” for such purpose).

(vii) Transfer Termination Event. The occurrence of any Transfer Termination Event.

(viii) Material Adverse Change. Promptly after the occurrence thereof, notice of any material adverse change in the business, operations, property or financial or other condition of any Originator, the Servicer, the Performance Guarantor or the Seller.

(ix) ERISA Event. Immediately upon the occurrence of any ERISA Event, notice in writing setting forth the details thereof and the action which the Seller-Related Parties propose to take with respect thereto.

(d) Conduct of Business. The Servicer will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and such other fields of enterprise as may be reasonably related thereto or reasonable extensions thereof, and will do all things necessary to remain duly organized, validly existing and in good standing as a domestic corporation in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted if the failure to have such authority could reasonably be expected to have a Material Adverse Effect.

(e) Compliance with Laws. The Servicer will comply with all applicable Laws to which it may be subject if the failure to comply could reasonably be expected to have a Material Adverse Effect.

(f) Furnishing of Information and Inspection of Receivables. The Servicer will furnish or cause to be furnished to the Administrative Agent from time to time such information with respect to the Pool Receivables and the other Supporting Assets as the Administrative Agent or any Purchaser may reasonably request. The Servicer will, at the Servicer’s expense, during regular business hours with at least three (3) Business Days’ prior written notice, (i) permit the Administrative Agent or its agents or representatives to (A) examine and make copies of and abstracts from all books and records relating to the Pool Receivables or other Supporting Assets, (B) visit the offices and properties of the Servicer for the purpose of examining such books and records and (C) discuss matters relating to the Pool Receivables, the other Supporting Assets or the Servicer’s performance hereunder or under the other Transaction Documents to which it is a party with any of the officers, directors, employees or independent public accountants of the Servicer (provided that representatives of the Servicer are present during such discussions) having knowledge of such matters and (ii) without limiting the provisions of clause (i) above, during regular business hours, at the Servicer’s expense, upon at least three (3) Business Days’ prior written notice from the Administrative Agent, permit

certified public accountants or other auditors acceptable to the Administrative Agent to conduct a review of its books and records with respect to the Pool Receivables and other Supporting Assets; provided, that the Servicer shall be required to reimburse the Administrative Agent for only one (1) such review pursuant to clause (ii) above in any twelve-month period unless an Event of Default or Potential Default has occurred and is continuing.

(g) Payments on Receivables, Collection Accounts and Excluded Accounts. The Servicer will at all times, instruct all Obligor to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box or, unless instructed otherwise by the Administrative Agent with a prior 30 (thirty) days' notice, solely with respect to Pool Receivables not denominated in either Dollars or an Alternative Currency, an Excluded Account. The Servicer will, at all times, maintain such books and records necessary to identify Collections received from time to time on Pool Receivables and to segregate such Collections from other property of the Servicer and the Originators. If any payments on the Pool Receivables or other Collections are received by the Seller, the Servicer or an Originator, it shall hold such payments in trust for the benefit of the Administrative Agent, the Purchasers and the other Secured Parties and promptly (but in any event within two (2) Business Days after receipt) remit such funds into a Collection Account. The Servicer will cause each Collection Account Bank to comply with the terms of each applicable Account Control Agreement. The Servicer shall not permit funds other than Collections on Pool Receivables and other Supporting Assets (or funds returned to the applicable account in respect of returned checks, chargebacks for insufficient funds and similar customary settlement items) to be deposited into any Collection Account or Excluded Account. If such funds are nevertheless deposited into any Collection Account or Excluded Account, the Servicer will within two (2) Business Days identify and transfer such funds to the appropriate Person entitled to such funds. The Servicer will not, and will not permit the Seller, any Originator or any other Person to commingle Collections or other funds to which the Administrative Agent, any Purchaser or any other Secured Party is entitled, with any other funds. The Servicer shall only add a Collection Account (or a related Lock-Box), or a Collection Account Bank to those listed on Schedule II to this Agreement, if the Administrative Agent has received notice of such addition and an executed and acknowledged copy of an Account Control Agreement (or an amendment thereto) in form and substance acceptable to the Administrative Agent from the applicable Collection Account Bank. The Servicer shall only terminate a Collection Account Bank or close a Collection Account (or a related Lock-Box) with the prior written consent of the Administrative Agent. From and after the Post-Closing Date, the Servicer shall ensure that no disbursements are made from any Collection Account, other than such disbursements that are made at the direction and for the account of the Seller.

The Servicer shall at all times cause each Excluded Account (A) to be maintained by an Originator as the account-holder thereof for the benefit of such Originator, the Seller or the Administrative Agent (and not for the benefit of any other Person), (B) to not be under the "control" (as defined in Section 9-104 of the UCC) of any Person, other than the applicable Excluded Account Bank (solely in its capacity as such and not for purposes of securing debt for borrowed money), such Originator or the Administrative Agent, and (C) to be used solely for purposes of collecting

proceeds of Pool Receivables that are not denominated in either Dollars or an Alternative Currency. The Servicer shall not permit any Excluded Account Bank to be terminated or any Excluded Account to be closed, except with the Administrative Agent's prior written consent.

(h) Extension or Amendment of Pool Receivables. Except as otherwise permitted in Section 8.02, the Servicer will not alter the delinquency status or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract. The Servicer shall at its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy with regard to each Pool Receivable and the related Contract.

(i) Change in Credit and Collection Policy. The Servicer will not make any material change in the Credit and Collection Policy without the prior written consent of the Administrative Agent and the Required Purchasers. Promptly following any change in the Credit and Collection Policy, the Servicer will deliver a copy of the updated Credit and Collection Policy to the Administrative Agent.

(j) Books and Records. The Servicer will maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(k) Identifying of Records. The Servicer shall cause its master data processing records relating to Pool Receivables and related Contracts to clearly and unambiguously indicate that the Pool Receivables have been sold or contributed by the Originators to the Seller and sold or pledged by the Seller pursuant this Agreement.

(l) Change in Payment Instructions to Obligors. The Servicer shall not (and shall not permit any Sub-Servicer to) add, replace or terminate any Collection Account (or any related Lock-Box) or make any change in its instructions to the Obligors regarding payments to be made to the Collection Accounts (or any related Lock-Box), other than any instruction to remit payments to a different Collection Account (or any related Lock-Box), unless the Seller and the Administrative Agent shall have received (i) prior written notice of such addition, termination or change and (ii) a signed and acknowledged Account Control Agreement (or an amendment thereto) with respect to such new Collection Accounts (or any related Lock-Box) and the Administrative Agent shall have consented to such change in writing.

(m) Security Interest, Etc. The Servicer shall, at its expense, take all action necessary or reasonably requested by the Administrative Agent to establish and maintain a valid

and enforceable first priority perfected ownership or security interest in the Supporting Assets, in each case free and clear of any Adverse Claim in favor of the Administrative Agent (on behalf of the Secured Parties), including taking such action to perfect, protect or more fully evidence the security interest of the Administrative Agent (on behalf of the Secured Parties) as the Administrative Agent may reasonably request. In order to evidence the security interests of the Administrative Agent under this Agreement, the Servicer shall, from time to time take such action, or execute and deliver such instruments as may be necessary (including such actions as are reasonably requested by the Administrative Agent) to maintain and perfect, as a first-priority interest, the Administrative Agent's security interest in the Receivables, Related Security and Collections. The Servicer shall, from time to time and within the time limits established by law, prepare and present to the Administrative Agent for the Administrative Agent's authorization and approval, all financing statements, amendments, continuations or initial financing statements in lieu of a continuation statement, or other filings necessary to continue, maintain and perfect the Administrative Agent's security interest as a first-priority interest. The Administrative Agent's approval of such filings shall authorize the Servicer to file such financing statements under the UCC without the signature of the Seller, any Originator or the Administrative Agent where allowed by applicable Law. Notwithstanding anything else in the Transaction Documents to the contrary, the Servicer shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements filed in connection with the Transaction Documents, without the prior written consent of the Administrative Agent.

(n) Further Assurances; Change in Name or Jurisdiction of Origination, etc. The Servicer hereby authorizes and hereby agrees from time to time, at its own expense, promptly to execute (if necessary) and deliver all further instruments and documents, and to take all further actions, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence the security interest granted pursuant to this Agreement or any other Transaction Document, or to enable the Administrative Agent (on behalf of the Secured Parties) to exercise and enforce their respective rights and remedies under this Agreement or any other Transaction Document. Without limiting the foregoing, the Servicer hereby authorizes, and will, upon the request of the Administrative Agent, at the Servicer's own expense, execute (if necessary) and file such financing statements or continuation statements, or amendments thereto, and such other instruments and documents, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or evidence any of the foregoing.

(o) Sanctions; Anti-Money Laundering Laws; Anti-Corruption Laws; International Trade Laws. The Servicer shall, and shall cause each other Covered Entity to:

(i) (A) immediately notify each Purchaser Party in writing upon the occurrence of a Reportable Compliance Event; (B) immediately provide substitute Supporting Assets to the Administrative Agent if, at any time, any Supporting Assets become Blocked Property; and (C) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws and maintain in effect policies and procedures reasonably designed to ensure compliance with

all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws by each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity in connection with this Agreement;

(ii) not, and not permit any of its Subsidiaries to, do any of the following, nor permit its or their respective directors, officers, employees, agents or affiliates acting on its or their behalf in connection with this Agreement to: (A) become a Sanctioned Person; (B) directly or indirectly, provide, use, or make available any Investments or the proceeds thereof hereunder (w) to fund any activities or business of, with, or for the benefit of any Person that, at the time of such funding or facilitation, is a Sanctioned Person, (x) to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction, (y) in any manner that could result in a violation by any Person of Anti-Corruption Law, Anti-Money Laundering, or International Trade Laws (including any Purchaser Party, underwriter, advisor, investor, or otherwise) or (z) in violation of any applicable Law, including, without limitation, any applicable Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (C) repay any Investment with Blocked Property or funds derived from any unlawful activity; or (D) permit any Supporting Assets to become Blocked Property; and

(iii) not directly or indirectly provide, use, or make available the Investments or the proceeds thereof hereunder to any of such Seller-Related Party's Subsidiaries that is not a Seller-Related Party.

(p) [Reserved.]

(q) Taxes. The Servicer shall (i) timely file all income and other material federal, state, and other tax returns required to be filed by it and (ii) pay, or cause to be paid, all income and material federal, state, and other Taxes, assessments and other governmental charges, if any, other than taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(r) Seller's Tax Status. The Servicer shall not take or cause any action to be taken that could result in the Seller (i) being treated other than as a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes, (ii) becoming an association taxable as a corporation or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, (iii) being subject to any Tax in any jurisdiction outside the United States or (iv) being subject to any material tax imposed by a state or local taxing authority.

(a) Linked Accounts. Except for any Permitted Linked Account, the Servicer shall not permit any Linked Account to exist with respect to any Collection Account or any Excluded Account; provided, however, that at any time during the continuance of an Event of Default, the Servicer shall, if so instructed by the Administrative Agent (in its sole discretion),

cause each Permitted Linked Account to cease being a “Linked Account” promptly, but not later than two (2) Business Days following the Seller’s or the Servicer’s receipt of such instruction.

(s) Transaction Information. The Servicer shall not deliver, and shall prohibit its Affiliates and any third party with which the Servicer or any Affiliate thereof has contracted from delivering, in writing or orally, any Transaction Information to any Rating Agency without first providing such Transaction Information to each Conduit Purchaser. The Servicer shall not participate, and shall prohibit its Affiliates and any third party with which the Servicer or any Affiliate thereof has contracted from participating, in any oral communications with respect to Transaction Information with any Rating Agency without the participation of each Conduit Purchaser.

SECTION 7.03 Separate Existence of the Seller. Each of the Seller and the Servicer hereby acknowledges that the Purchaser Parties are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon the Seller’s identity as a legal entity separate from each other Seller-Related Party and their Affiliates. Therefore, each of the Seller and Servicer shall take all steps specifically required by this Agreement or reasonably required by any Purchaser Party to continue the Seller’s identity as a separate legal entity and to make it apparent to third Persons that the Seller is an entity with assets and liabilities distinct from those of each other Seller-Related Party and any other Person, and is not a division of any other Seller-Related Party or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, each of the Seller and the Servicer shall take such actions as shall be required in order that:

(a) Special Purpose Entity. The Seller will be a special purpose company whose primary activities are restricted in its limited liability company agreement to: (i) purchasing or otherwise acquiring from the Originators, owning, holding, collecting, granting security interests or selling interests in the Supporting Assets, (ii) entering into agreements for the selling, servicing and financing of the Receivables Pool (including the Transaction Documents) and (iii) conducting such other activities as it deems necessary or appropriate to carry out its primary activities.

(b) No Other Business or Indebtedness. The Seller shall not (i) engage in any business except as set forth in this Agreement, (ii) engage in any activity prohibited by this Agreement or otherwise inconsistent with its purposes as specified in its limited liability company agreement or (ii) incur any indebtedness or liability other than as expressly permitted by the Transaction Documents.

(c) Independent Manager. Not fewer than one of the Seller’s managers (the “Independent Manager”) shall be a natural person who (i) has never been, and shall at no time be, an equityholder, director, officer, manager, member, partner, officer, employee or associate, or any relative of the foregoing, of any member of the Parent Group (as hereinafter defined) (other than his or her service as an Independent Manager of the Seller or an independent director or manager of any other bankruptcy-remote special purpose entity formed for the sole purpose of securitizing, or facilitating the securitization of, financial assets of any member or members of the Parent Group), (ii) is not a customer or supplier of any member of the Parent Group (other

than his or her service as an Independent Manager of the Seller or an independent director or manager of any other bankruptcy-remote special purpose entity formed for the sole purpose of securitizing, or facilitating the securitization of, financial assets of any member or members of the Parent Group), (iii) is not any member of the immediate family of a person described in (i) or (ii) above, and (iv) has (x) prior experience as an independent director or manager for a corporation or limited liability company whose organizational or charter documents required the unanimous consent of all independent directors or managers, as applicable, thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (y) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities. For purposes of this clause (c), “Parent Group” means (i) each Seller-Related Party, (ii) each person that directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the membership interests in the Parent, (iii) each person that controls, is controlled by or is under common control with the Parent and (iv) each of such person’s officers, directors, managers, joint venturers and partners. For the purposes of this definition, “control” of a person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise. A person shall be deemed to be an “associate” of (A) a corporation or organization of which such person is an officer, director, partner or manager or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities, (B) any trust or other estate in which such person serves as trustee or in a similar capacity and (C) any relative or spouse of a person described in clause (A) or (B) of this sentence, or any relative of such spouse.

The Seller shall (A) give written notice to the Administrative Agent of the election or appointment, or proposed election or appointment, of a new Independent Manager of the Seller, which notice shall be given not later than ten (10) Business Days prior to the date such appointment or election would be effective (except when such election or appointment is necessary to fill a vacancy caused by the death, disability, or incapacity of the existing Independent Manager, or the failure of such Independent Manager to satisfy the criteria for an Independent Manager set forth in this clause (c), in which case the Seller shall provide written notice of such election or appointment within one (1) Business Day) and (B) with any such written notice, certify to the Administrative Agent that the Independent Manager satisfies the criteria for an Independent Manager set forth in this clause (c).

The Seller’s limited liability company agreement shall provide that: (A) the Seller’s managers shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Seller unless the Independent Manager shall approve the taking of such action in writing before the taking of such action and (B) such provision and each

other provision requiring an Independent Manager cannot be amended without the prior written consent of the Independent Manager.

The Independent Manager shall not at any time serve as a trustee in bankruptcy for any Seller-Related Party or any of their respective Affiliates.

(d) Organizational Documents. The Seller shall maintain its organizational documents in conformity with this Agreement, such that it does not amend, restate, supplement or otherwise modify its ability to comply with the terms and provisions of any of the Transaction Documents, including Section 7.01(p).

(e) Conduct of Business. The Seller shall conduct its affairs strictly in accordance with its organizational documents and observe all necessary, appropriate and customary company formalities, including holding all regular and special members' and managers' meetings appropriate to authorize all company action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including payroll and intercompany transaction accounts.

(f) Compensation. Any employee, consultant or agent of the Seller will be compensated from the Seller's funds for services provided to the Seller, and to the extent that Seller shares the same officers or other employees as the Servicer (or any other Affiliate thereof), the salaries and expenses relating to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with such common officers and employees. The Seller will not engage any agents other than its attorneys, auditors and other professionals, and a servicer and any other agent contemplated by the Transaction Documents for the Receivables Pool, which servicer will be fully compensated for its services by payment of the Servicing Fee.

(g) Servicing and Costs. The Seller will contract with the Servicer to perform for the Seller all operations required on a daily basis to service the Receivables Pool. The Seller will not incur any indirect or overhead expenses for items shared with the Servicer (or any other Affiliate thereof) that are not reflected in the Servicing Fee. To the extent, if any, that the Seller (or any Affiliate thereof) shares items of expenses not reflected in the Servicing Fee, such as legal, auditing and other professional services, such expenses will be allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered.

(h) Operating Expenses. The Seller's operating expenses will not be paid by any Seller-Related Party or any Affiliate thereof.

(i) Stationery. The Seller will have its own separate stationery.

(j) Books and Records. The Seller's books and records will be maintained separately from those of any other Seller-Related Party and any of their Affiliates and in a

manner such that it will not be difficult or costly to segregate, ascertain or otherwise identify the assets and liabilities of the Seller.

(k) Disclosure of Transactions. All financial statements of any Seller-Related Party or any Affiliate thereof that are consolidated to include the Seller will disclose that (i) the Seller's sole business consists of the purchase or acceptance through capital contributions of the Receivables and Related Rights from the Originators and the subsequent retransfer of or granting of a security interest in such Receivables and Related Rights to the Administrative Agent pursuant to this Agreement, (ii) the Seller is a separate legal entity with its own separate creditors who will be entitled, upon its liquidation, to be satisfied out of the Seller's assets prior to any assets or value in the Seller becoming available to the Seller's equity holders and (iii) the assets of the Seller are not available to pay creditors of any other Seller-Related Party or any Affiliate thereof.

(l) Segregation of Assets. The Seller's assets will be maintained in a manner that facilitates their identification and segregation from those of any other Seller-Related Party or any Affiliates thereof.

(m) Corporate Formalities. The Seller will strictly observe limited liability company formalities in its dealings with any other Seller-Related Party or any Affiliates thereof, and funds or other assets of the Seller will not be commingled with those of any other Seller-Related Party or any Affiliates thereof except as permitted by this Agreement in connection with servicing the Pool Receivables. The Seller shall not maintain joint bank accounts or other depository accounts to which any other Seller-Related Party or any Affiliate thereof (other than the Servicer solely in its capacity as such) has independent access. The Seller is not named, and has not entered into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy with respect to any loss relating to the property of any other Seller-Related Party or other Affiliates thereof. The Seller will pay to the appropriate Affiliate the marginal increase or, in the absence of such increase, the market amount of its portion of the premium payable with respect to any insurance policy that covers the Seller and such Affiliate.

(n) Arm's-Length Relationships. The Seller will maintain arm's-length relationships with any other Seller-Related Party and any Affiliates thereof. Any Person that renders or otherwise furnishes services to the Seller will be compensated by the Seller at market rates for such services it renders or otherwise furnishes to the Seller. Neither the Seller on the one hand, nor any other Seller-Related Party or any Affiliate thereof, on the other hand, will be or will hold itself out to be responsible for the debts of the other or the decisions or actions respecting the daily business and affairs of the other. The Seller-Related Parties and their respective Affiliates will immediately correct any known misrepresentation with respect to the foregoing, and they will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealing with any other entity.

(o) Allocation of Overhead. To the extent that the Seller, on the one hand, and any other Seller-Related Party or any Affiliate thereof, on the other hand, have offices in the same location, there shall be a fair and appropriate allocation of overhead costs between them,

and the Seller shall bear its fair share of such expenses, which may be paid through the Servicing Fee or otherwise.

SECTION 7.04 Post-Closing CovenantsSECTION 7.05. Not later than the Post-Closing Date, the Seller and the Servicer shall cause (i) each Collection Account to be assigned or novated to the Seller, such that the Seller (rather than any other Seller-Related Party or any other Person) is the applicable Collection Account Bank's customer with respect to such Collection Account, (ii) each Collection Account to be subject to a fully executed and in-effect Account Control Agreements, and (iii) each of the items set forth on Schedule V hereto to have been delivered to the Administrative Agent, in each case, in form and substance reasonably satisfactory to the Administrative Agent.

ARTICLE VIII

ADMINISTRATION AND COLLECTION OF RECEIVABLES

SECTION 8.01 Appointment of the Servicer.

(a) The servicing, administering and collection of the Pool Receivables shall be conducted by the Person so designated from time to time as the Servicer in accordance with this Section 8.01. Until the Administrative Agent gives notice to Fortrea (in accordance with this Section 8.01) of the designation of a new Servicer, Fortrea is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. Upon the occurrence of an Event of Default, the Administrative Agent may (with the consent of the Required Purchasers) and shall (at the direction of the Required Purchasers) designate as Servicer any Person (including itself) to succeed Fortrea or any successor Servicer, on such terms and conditions as the Administrative Agent may agree in its discretion.

(b) Upon the designation of a successor Servicer as set forth in clause (a) above, Fortrea agrees that it will terminate its activities as Servicer hereunder in a manner that the Administrative Agent reasonably determines will facilitate the transition of the performance of such activities to the new Servicer, and Fortrea shall cooperate with and assist such new Servicer. Such cooperation shall include access to and transfer of records (including all Contracts) related to Pool Receivables and use by the new Servicer of all licenses (or the obtaining of new licenses), hardware or software necessary or reasonably desirable to collect the Pool Receivables and the Related Security.

(c) Fortrea acknowledges that, in making its decision to execute and deliver this Agreement, the Administrative Agent and each Purchaser have relied on Fortrea's agreement to act as Servicer hereunder. Accordingly, Fortrea agrees that it will not voluntarily resign as Servicer without the prior written consent of the Administrative Agent and the Required Purchasers.

(d) The Servicer may delegate its duties and obligations hereunder to any subservicer (each a "Sub-Servicer"); provided, that, in each such delegation: (i) such Sub-Servicer shall agree in writing to perform the delegated duties and obligations of the Servicer pursuant to the terms hereof, (ii) the Servicer shall remain liable for the performance of the duties

and obligations so delegated, (iii) the Seller, the Administrative Agent and each Purchaser shall have the right to look solely to the Servicer for performance, (iv) the terms of any agreement with any Sub-Servicer shall provide that the Administrative Agent may terminate such agreement upon the termination of the Servicer hereunder by giving notice of its desire to terminate such agreement to the Servicer (and the Servicer shall provide appropriate notice to each such Sub-Servicer) and (v) if such Sub-Servicer is not an Affiliate of the Parent, the Administrative Agent and the Required Purchasers shall have consented in writing in advance to such delegation.

SECTION 8.02 Duties of the Servicer.

(a) The Servicer shall take or cause to be taken all such action as may be necessary or reasonably advisable to service, administer and collect each Pool Receivable from time to time, all in accordance with this Agreement and all applicable Laws, with reasonable care and diligence, and in accordance with the Credit and Collection Policy and consistent with the past practices of the Originators. The Servicer shall set aside, for the accounts of each Purchaser Party, the amount of Collections it or its Affiliates actually receive to which each such Purchaser Party is entitled in accordance with Article III hereof. The Servicer may, in accordance with the Credit and Collection Policy and consistent with past practices of the Originators, take such action, including modifications, waivers or restructurings of Pool Receivables and related Contracts, as the Servicer may reasonably determine to be appropriate to maximize Collections thereof or reflect adjustments expressly permitted under the Credit and Collection Policy or as expressly required under applicable Laws or the applicable Contract; provided, that for purposes of this Agreement: (i) such action shall not, and shall not be deemed to, change the number of days such Pool Receivable has remained unpaid from the date of the original due date related to such Pool Receivable, (ii) such action shall not alter the status of such Pool Receivable as a Delinquent Receivable or a Defaulted Receivable or limit the rights of any Secured Party under this Agreement or any other Transaction Document and (iii) if an Event of Default has occurred and is continuing, the Servicer may take such action only upon the prior written consent of the Administrative Agent. The Seller shall deliver to the Servicer and the Servicer shall hold for the benefit of the Administrative Agent (individually and for the benefit of each Purchaser Party), in accordance with their respective interests, all records and documents (including computer tapes or disks) with respect to each Pool Receivable. Notwithstanding anything to the contrary contained herein, if an Event of Default has occurred and is continuing, the Administrative Agent may direct the Servicer to commence or settle any legal action to enforce collection of any Pool Receivable that is a Defaulted Receivable or to foreclose upon or repossess any Related Security with respect to any such Defaulted Receivable.

(b) The Servicer shall, as soon as practicable following actual receipt of collected funds, turn over to the Seller the collections of any indebtedness that is not a Pool Receivable, less, if Fortrea or an Affiliate thereof is not the Servicer, all reasonable and appropriate out-of-pocket costs and expenses of such Servicer of servicing, collecting and administering such collections. The Servicer, if other than Fortrea or an Affiliate thereof, shall, as soon as practicable upon demand, deliver to the Seller all records in its possession that evidence or relate to any indebtedness that is not a Pool Receivable, and copies of records in its possession that evidence or relate to any indebtedness that is a Pool Receivable.

(c) The Servicer's obligations hereunder shall terminate on the Final Payout Date. Promptly following the Final Payout Date, the Servicer shall deliver to the Seller all books, records and related materials that the Seller previously provided to the Servicer, or that have been obtained by the Servicer, in connection with this Agreement.

SECTION 8.03 Collection Account Arrangements.

(a) ~~Upon the occurrence and during~~ During the continuance of an Event of Default or a Ratings Event, the Administrative Agent may (with the consent of the Required Purchasers) and shall (upon the direction of the Required Purchasers) at any time ~~thereafter~~ give notice to each Collection Account Bank that the Administrative Agent is exercising its rights under the Account Control Agreements to do any or all of the following: (i) to have the exclusive dominion and control of the Collection Accounts transferred to the Administrative Agent (for the benefit of the Secured Parties) and to exercise exclusive dominion and control over the funds deposited therein (for the benefit of the Secured Parties), (ii) to have the proceeds that are sent to the respective Collection Accounts redirected pursuant to the Administrative Agent's instructions rather than deposited in the applicable Collection Account or (iii) to take any or all other actions permitted under the applicable Account Control Agreement; provided, that if no Event of Default is then continuing, the Administrative Agent shall provide the Seller with at least ten (10) Business Days' notice before delivering such notice to any Collection Account Bank. The Seller hereby agrees that if the Administrative Agent at any time takes any action set forth in the preceding sentence, the Administrative Agent shall have exclusive control (for the benefit of the Secured Parties) of the proceeds (including Collections) of all Pool Receivables and the Seller hereby further agrees to take any other action that the Administrative Agent may reasonably request to transfer such control. Any proceeds of Pool Receivables received by the Seller or the Servicer thereafter shall be sent immediately to, or as otherwise instructed by, the Administrative Agent.

(b) Upon request of the Administrative Agent, the Seller and the Servicer shall cooperate with the Administrative Agent and shall take such actions reasonably requested by the Administrative Agent (including the provision of "know your customer" information and completion, execution and delivery of one or more customary account-opening agreements and account control agreements in favor of the Administrative Agent) to cause one or more Cash Dominion Administration Accounts to be established at PNC or another commercial bank designated by the Administrative Agent. The Administrative Agent shall have exclusive dominion and control (for the benefit of the Secured Parties) over each Cash Dominion Administration Account and the funds deposited therein, and none of the Seller-Related Parties or their Affiliates shall have any rights to access or direct the disposition of any funds therein. Funds on deposit in the Cash Dominion Administration Accounts may be applied by the Administrative Agent for the repayment of the Seller Obligations in accordance with the priority of payments set forth in Section 3.01(a). Amounts, if any, on deposit in the Cash Dominion Administration Accounts on the Final Payout Date (after payment of all Seller Obligations) shall be remitted by the Administrative Agent to the Seller.

(c) If the Administrative Agent has assumed exclusive control of the Collection Accounts, then in order for the Seller to obtain a Release on any Business Day, the

Seller (or the Servicer on its behalf) shall submit to the Administrative Agent a Daily Report constituting a Qualifying Report on such Business Day; provided, that neither the Seller nor the Servicer shall request any such Release if the conditions precedent to Releases specified in Section 5.03 are not satisfied. Upon receipt of such a Daily Report following the Administrative Agent's assumption of exclusive control of the Collection Accounts, the Administrative Agent shall promptly review such Daily Report to determine if such Daily Report constitutes a Qualifying Report; provided that any Daily Report delivered after 12:00 p.m. Eastern Time on any Business Day shall be deemed to have been delivered on the following Business Day. On any Business Day, if the Administrative Agent determines that such Daily Report constitutes a Qualifying Report and (x) all conditions precedent to Releases specified in Section 5.03 are satisfied (as reasonably determined by the Administrative Agent) and (y) the Seller and the Servicer have delivered all information reasonably requested by the Administrative Agent in connection with such Qualifying Report, the Administrative Agent shall release to the Seller from Collections on deposit in the Cash Dominion Administration Accounts an amount equal to the Maximum Release Amount on such day. The proceeds of each Release shall be applied by the Seller in accordance with Section 5.03(b). The Seller shall notify the Administrative Agent if any of the conditions for a Release set forth in Section 5.03 are not satisfied on such day. For purposes of this clause (c), "Qualifying Report" means any Daily Report that satisfies each of the following conditions: (A) such Daily Report demonstrates that no Capital Coverage Amount Deficit exists and (B) such Daily Report is calculated as of the close of business of the immediately preceding Business Day.

SECTION 8.04 Enforcement Rights.

(a) At any time following the occurrence and during the continuation of an Event of Default:

(i) the Administrative Agent (at the Seller's expense) may direct the Obligor that payment of all amounts payable under any Pool Receivable is to be made directly to the Administrative Agent or its designee;

(ii) the Administrative Agent may instruct the Seller or the Servicer to give notice of the Secured Parties' interest in Pool Receivables to each Obligor, which notice shall direct that payments be made directly to the Administrative Agent or its designee (on behalf of the Secured Parties), and the Seller or the Servicer, as the case may be, shall give such notice at the expense of the Seller or the Servicer, as the case may be; provided, that if the Seller or the Servicer, as the case may be, fails to so notify each Obligor within two (2) Business Days following instruction by the Administrative Agent, the Administrative Agent (at the Seller's or the Servicer's, as the case may be, expense) may so notify the Obligor;

(iii) the Administrative Agent may request the Servicer to, and upon such request the Servicer shall: (A) assemble all of the records necessary or desirable to collect the Pool Receivables and the Related Security, and transfer or license to a successor Servicer the use of all software necessary or desirable to collect the Pool Receivables and the Related Security, and make the same available to the Administrative

Agent or its designee (for the benefit of the Secured Parties) at a place selected by the Administrative Agent and (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner reasonably acceptable to the Administrative Agent and, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Administrative Agent or its designee;

(iv) the Administrative Agent may notify the Collection Account Banks that the Seller and the Servicer will no longer have any access to the Collection Accounts;

(v) the Administrative Agent may (or, at the direction of the Required Purchasers shall) replace the Person then acting as Servicer; and

(vi) the Administrative Agent may collect any amounts due from an Originator under the Transfer Agreement or the Performance Guarantor under the Performance Guaranty.

For the avoidance of doubt, the foregoing rights and remedies of the Administrative Agent upon an Event of Default are in addition to and not exclusive of the rights and remedies contained herein and under the other Transaction Documents.

(b) The Seller hereby authorizes the Administrative Agent (on behalf of the Secured Parties), and irrevocably appoints the Administrative Agent as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Seller, which appointment is coupled with an interest, to take any and all steps in the name of the Seller and on behalf of the Seller necessary or desirable, in the reasonable determination of the Administrative Agent, after the occurrence and during the continuation of an Event of Default, to collect any and all amounts or portions thereof due under any and all Supporting Assets, including endorsing the name of the Seller on checks and other instruments representing Collections and enforcing such Supporting Assets. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

(c) The Servicer hereby authorizes the Administrative Agent (on behalf of the Secured Parties), and irrevocably appoints the Administrative Agent as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Servicer, which appointment is coupled with an interest, to take any and all steps in the name of the Servicer and on behalf of the Servicer necessary or desirable, in the reasonable determination of the Administrative Agent, after the occurrence and during the continuation of an Event of Default, to collect any and all amounts or portions thereof due under any and all Supporting Assets, including endorsing the name of the Servicer on checks and other instruments representing Collections and enforcing such Supporting Assets. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to

the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

SECTION 8.05 Responsibilities of the Seller.

(a) Anything herein to the contrary notwithstanding, the Seller shall: (i) perform all of its obligations, if any, under the Contracts related to the Pool Receivables to the same extent as if interests in such Pool Receivables had not been transferred hereunder, and the exercise by the Administrative Agent, or any other Purchaser Party of their respective rights hereunder shall not relieve the Seller from such obligations and (ii) pay when due any Taxes, including any sales taxes payable in connection with the Pool Receivables and their creation and satisfaction. None of the Purchaser Parties shall have any obligation or liability with respect to any Supporting Assets, nor shall any of them be obligated to perform any of the obligations of the Seller, the Servicer or any Originator thereunder.

(b) Fortrea hereby irrevocably agrees that if at any time it shall cease to be the Servicer hereunder, it shall act (if the then-current Servicer so requests) as the data-processing agent of the Servicer and, in such capacity, Fortrea shall conduct the data-processing functions of the administration of the Receivables and the Collections thereon in substantially the same way that Fortrea conducted such data-processing functions while it acted as the Servicer. In connection with any such processing functions, the Seller shall pay to Fortrea its reasonable out-of-pocket costs and expenses from the Seller's own funds (subject to the priority of payments set forth in Section 3.01(a)).

SECTION 8.06 Servicing Fee.

(a) Subject to clause (b) below, the Seller shall pay the Servicer a fee (the "Servicing Fee") equal to the product of the Servicing Fee Rate multiplied by the daily average aggregate Outstanding Balance of the Pool Receivables. Accrued Servicing Fees shall be payable from Collections to the extent of available funds in accordance with Section 3.01(a).

(b) If the Servicer ceases to be Fortrea or an Affiliate thereof, the Servicing Fee shall be the greater of: (i) the amount calculated pursuant to clause (a) above and (ii) an alternative amount agreed between the Administrative Agent and the successor Servicer in connection with the performance of its obligations as Servicer hereunder.

ARTICLE IX

EVENTS OF DEFAULT

SECTION 9.01 Events of Default. An "Event of Default" means the occurrence or existence of any one or more of the following events or conditions (whatever the reason therefor and whether voluntary, involuntary or effected by operation of applicable Law):

(a) any Seller-Related Party shall fail to make when due any payment or deposit to be made by it under this Agreement or any other Transaction Document and such failure shall continue unremedied for two (2) Business Days;

(b) any Seller-Related Party shall fail to perform or observe any term, covenant or agreement under this Agreement or any other Transaction Document to be performed or observed by such Seller-Related Party (other than any such failure which would constitute an Event of Default under any other paragraph, clause or sub-clause of this Section 9.01), and such failure, solely to the extent capable of cure, shall continue for thirty (30) days after the Seller or such Seller-Related Party obtains knowledge thereof;

(c) any representation or warranty made or deemed made by any Seller-Related Party (or any of its respective officers) under or in connection with this Agreement or any other Transaction Document or any information or report delivered by any Seller-Related Party pursuant to this Agreement or any other Transaction Document, shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered;

(d) the Seller or the Servicer shall fail to deliver any Pool Report pursuant to this Agreement, and such failure shall remain unremedied for (i) with respect to a Weekly Report, one (1) Business Day, or (ii) with respect to a Monthly Report, two (2) Business Days;

(e) Fortrea shall resign, or shall take any material action in furtherance of resigning, from its role or obligations as Servicer hereunder;

(f) the Seller or the Servicer shall breach Section 6.01(n), 6.02(r), 7.01(v) or 7.02(o);

(g) this Agreement or any sale made or security interest granted pursuant to this Agreement or any other Transaction Document shall for any reason cease to create, or for any reason cease to be, a valid and enforceable first priority perfected ownership or security interest in favor of the Administrative Agent with respect to the Supporting Assets, free and clear of any Adverse Claim;

(h) any of (i) a Relief Proceeding shall have been instituted against any Seller-Related Party or a Restricted Subsidiary substantial part of the assets of any Seller-Related Party or Restricted Subsidiary and such Relief Proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days or such court shall enter a decree or order granting any of the relief sought in such Relief Proceeding, (ii) any Seller-Related Party or any Restricted Subsidiary institutes, or takes any action in furtherance of, a Relief Proceeding, (iii) any Seller-Related Party or any Restricted Subsidiary ceases to be Solvent or admits in writing its inability to pay its debts as they mature or (iv) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any Seller-Related Party or any Restricted Subsidiary and is not released, vacated or fully bonded within sixty (60) days after its issue or levy;

(i) (A) the average of the Default Ratios for any three consecutive Fiscal Months shall exceed 4.25%, (B) the average of the Delinquency Ratios for any three consecutive Fiscal Months shall exceed 6.50%, (C) the average of the Dilution Ratios for any three consecutive Fiscal Months shall exceed 8.00%, or (D) the Days' Sales Outstanding for any Fiscal Month shall exceed eighty (80) days;

(j) a Change in Control shall occur;

(k) a Capital Coverage Amount Deficit shall occur and shall not have been cured within two (2) Business Days;

(l) (i) the Seller shall fail to pay any principal of or premium or interest on any of its Indebtedness when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement, mortgage, indenture or instrument relating to such Indebtedness (whether or not such failure shall have been waived under the related agreement) or (ii) the Seller shall fail to observe or perform any other agreement or condition relating to any of its Indebtedness, or any other event shall occur, the effect of which failure or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity;

(m) any of the Seller-Related Parties (other than the Seller) or any Restricted Subsidiary, individually or in the aggregate, (i) fails to make any payment beyond the applicable grace period with respect thereto, if any (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness having an outstanding aggregate principal amount of not less than the Threshold Amount, or (ii) fails to observe or perform any other agreement or condition relating to any Indebtedness having an outstanding aggregate principal amount of not less than the Threshold Amount, or any other event occurs, the effect of which default or other event described in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity;

(n) [reserved];

(o) the Seller shall fail (x) at any time (other than for ten (10) Business Days following notice of the death, disability, incapacity or resignation of any Independent Manager) to have an Independent Manager who satisfies each requirement and qualification specified in Section 7.03(c) for Independent Manager of the Seller or (y) to timely notify the Administrative Agent of any replacement or appointment of any director that is to serve as an Independent Manager of the Seller as required pursuant to Section 7.03(c);

(p) there shall have occurred any event which materially impairs, as objectively determined by the Administrative Agent, the collectibility of the Pool Receivables or any material portion thereof;

(q) either (i) the Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of any Seller-Related Party or (ii) the PBGC shall, or shall indicate its intention to, file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of any Seller-Related Party;

(r) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of Seller or any member of the ERISA Group under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC that could reasonably be expected to have a Material Adverse Effect, or Seller or any member of the ERISA Group fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, where the aggregate amount of unamortized withdrawal liability could reasonably be expected to have a Material Adverse Effect;

(s) the Seller or Servicer shall breach its obligations under Section 7.04;

(t) a Transfer Termination Event shall occur;

(u) the Seller shall (i) be required to register as an “investment company” within the meaning of the Investment Company Act or (ii) become a “covered fund” within the meaning of the Volcker Rule;

(v) any material provision of this Agreement or any other Transaction Document shall cease to be in full force and effect or any Seller-Related Party shall so state in writing;

(w) the Performance Guarantor shall fail to comply with the Financial Covenant at any time;

(x) one or more judgments or decrees shall be entered against any Seller-Related Party or any Restricted Subsidiary thereof involving in the aggregate a liability (not paid or to the extent not covered by a reputable and solvent insurance company) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 60 consecutive days, and the aggregate amount of all such judgments equals or exceeds the Threshold Amount (or solely with respect to the Seller, \$18,600); or

(y) the assets of the Seller are deemed to constitute “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) or the Seller is or becomes subject to any applicable law that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code and that would be violated by the transactions contemplated by this Agreement or any other Transaction Document.

SECTION 9.02 Consequences of an Event of Default.

(a) Generally. If any Event of Default occurs, the Administrative Agent may (or, at the direction of the Required Purchasers shall) by notice to the Seller:

(i) declare the Termination Date to have occurred (in which case the Termination Date shall be deemed to have occurred);

(ii) declare the Final Maturity Date to have occurred (in which case the Final Maturity Date shall be deemed to have occurred); or

(iii) declare the Aggregate Capital and all other Seller Obligations and Guaranteed Obligations to be immediately due and payable (in which case the Aggregate Capital and all other Seller Obligations and Guaranteed Obligations shall be immediately due and payable);

provided that, automatically and immediately (without any requirement for the giving of notice) upon the occurrence of any Event of Default described in Section 9.01(h) with respect to the Seller, the Termination Date shall occur and the Aggregate Capital and all other Seller Obligations and Guaranteed Obligations shall be immediately due and payable.

Upon any such declaration or designation or upon such automatic termination, the Administrative Agent and the other Secured Parties shall have, in addition to the rights and remedies which they may have under this Agreement and the other Transaction Documents, all other rights and remedies provided after default under the UCC and under other applicable Law, which rights and remedies shall be cumulative.

(b) Set-off. If an Event of Default shall have occurred and be continuing, each Purchaser and each of their respective Affiliates and any participant of such Purchaser or Affiliate which has agreed in writing to be bound by the provisions of Section 3.03, after obtaining the prior written consent of the Administrative Agent, is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Purchaser or any such Affiliate or participant to or for the credit or the account of the Seller against any and all of the Seller Obligations now or hereafter existing under this Agreement or any other Transaction Document to such Purchaser, Affiliate or participant, irrespective of whether or not such Purchaser, Affiliate or participant shall have made any demand under this Agreement or any other Transaction Document and although such Seller Obligations may be contingent or unmatured or are owed to a branch or office of such Purchaser different from the branch or office holding such deposit or obligated on such Indebtedness, provided that in the event that any Defaulting Purchaser 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 2.06 and, pending such payment, shall be segregated by such Defaulting Purchaser from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Purchasers, and (y) the Defaulting Purchaser shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Seller Obligations owing to such Defaulting Purchaser as to which it exercised such right of setoff. The rights of each Purchaser and their respective Affiliates and participants under this Section are in

addition to other rights and remedies (including other rights of setoff) that such Purchaser or its respective Affiliates and participants may have. Each Purchaser agrees to notify the Seller 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.

(c) Enforcement of Rights and Remedies. Notwithstanding anything to the contrary contained herein or in any other Transaction Document, the authority to enforce rights and remedies hereunder and under the other Transaction Documents against the Seller-Related 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 this Agreement for the benefit of all the Purchasers and the other Secured Parties; provided that the foregoing shall not prohibit (i) 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 Transaction Documents, (ii) any Purchaser from exercising setoff rights in accordance with Section 9.02(b) (subject to the terms of Section 3.03), or (iii) any Purchaser from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Seller-Related Party under any Relief Proceeding; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Transaction Documents, then (A) the Required Purchasers shall have the rights otherwise ascribed to the Administrative Agent pursuant to this Section 9.02(c), and (B) in addition to the matters specified in clauses (ii) and (iii) of the preceding proviso and subject to Section 3.03), any Purchaser may, with the consent of the Required Purchasers, enforce any rights and remedies available to it and as authorized by the Required Purchasers.

(d) Application of Proceeds. From and after the date on which the Administrative Agent has taken any action pursuant to Section 9.02 (or after the Seller Obligations have automatically become immediately due and payable as specified in the *proviso* to Section 9.02(a)) and until the Final Payout Date, any and all proceeds received on account of the Seller Obligations shall (subject to Sections 2.06) be applied in accordance with the order of priority set forth in Section 3.01(a).

ARTICLE X

THE ADMINISTRATIVE AGENT

SECTION 10.01 Appointment and Authority. Each Purchaser Party hereby irrevocably appoints PNC Bank, National Association to act on its behalf as the Administrative Agent hereunder and under the other Transaction Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Purchaser Parties, and the Seller-Related Parties shall not 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 Transaction 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.

SECTION 10.02 Rights as a Purchaser. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not the Administrative Agent, and the term “Purchaser” or “Purchasers” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, any Seller-Related 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 Purchasers.

SECTION 10.03 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly specified herein and in the other Transaction Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Potential Default or Event of Default has occurred and is continuing;

(ii) 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 Transaction Documents that the Administrative Agent is required to exercise as directed in writing by the Required Purchasers (or such other number or percentage of the Purchasers as shall be expressly provided for herein or in the other Transaction 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 Transaction 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 Purchaser in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly specified herein and in the other Transaction Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Seller-Related Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Purchasers (or such other

number or percentage of the Purchasers as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 12.01, 8.04 and 9.02), 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 Potential Default or Event of Default unless and until notice describing such Potential Default or Event of Default is given to the Administrative Agent in writing by any Seller-Related Party or a Purchaser.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction 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 specified herein or therein or the occurrence of any Potential Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document, or (v) the satisfaction of any condition precedent to an Investment, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 10.04 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 an Investment, that by its terms must be fulfilled to the satisfaction of a Purchaser Party, the Administrative Agent may presume that such condition is satisfactory to such Purchaser Party unless the Administrative Agent shall have received notice to the contrary from such Purchaser Party prior to the making of such Investment. The Administrative Agent may consult with legal counsel (who may be counsel for the Seller), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 10.05 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 Transaction Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the financing or purchase facility contemplated hereby as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent

jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 10.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Purchaser Parties and the Seller. Upon receipt of any such notice of resignation, the Required Purchasers shall have the right, in consultation with the Seller (so long as no Potential Default or Event of Default has occurred and is continuing), to appoint a successor, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank with an office in New York, New York. If no such successor shall have been so appointed by the Required Purchasers 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 Purchasers) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Purchaser Parties, appoint a successor Administrative Agent meeting the qualifications specified above; provided that in no event shall any such successor Administrative Agent be a Defaulting Purchaser. 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 Purchaser pursuant to clause (d) of the definition thereof, the Required Purchasers may, to the extent permitted by applicable Law, by notice in writing to the Seller and such Person remove such Person as Administrative Agent and, in consultation with the Seller, appoint a successor. If no such successor shall have been so appointed by the Required Purchasers and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Purchasers) (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) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Secured Parties under any of the Transaction Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments 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 Purchaser Party directly, until such time, if any, as the Required Purchasers 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 any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Transaction Documents. The fees payable by the Seller to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Seller and such successor. After the retiring or removed

Administrative Agent's resignation or removal hereunder and under the other Transaction Documents, the provisions of this Article X and Article XI shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

SECTION 10.07 Non-Reliance on Administrative Agent and Other Purchasers. Each Purchaser Party acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Purchaser or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Purchaser also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Purchaser or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Transaction Document or any related agreement or any document furnished hereunder or thereunder. Each Purchaser represents and warrants that (i) the Transaction Documents set forth the terms of a commercial lending or purchase facility and certain other facilities as set forth herein and (ii) it is engaged in making, acquiring or holding commercial loans or providing other similar facilities in the ordinary course and is entering into this Agreement as a Purchaser for the purpose of making, acquiring or holding commercial loans and providing other facilities as set forth herein and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Purchaser agrees not to assert a claim in contravention of the foregoing. Each Purchaser represents and warrants that it is sophisticated with respect to decisions to make, acquire or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Purchaser, and either it, or the Person exercising discretion in making its decision to make, acquire or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding commercial loans or providing such other facilities.

SECTION 10.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the bookrunners or arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Transaction Documents, except in its capacity, as applicable, as the Administrative Agent or a Purchaser hereunder.

SECTION 10.09 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 Seller-Related Party, the Administrative Agent (irrespective of whether any Capital or other Seller Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Seller) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the Capital, principal, interest and Yield owing and unpaid in respect of any Investment and all other Seller 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 Purchaser Parties and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Purchaser Parties and the Administrative Agent and their respective agents and counsel and all other

amounts due the Purchaser Parties and the Administrative Agent) 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 Purchaser Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Purchaser Party, 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.

SECTION 10.10 Collateral and Guaranty Matters.

(a) Each of the Secured Parties irrevocably authorizes the Administrative Agent, at its option and in its discretion to release any Lien on any Supporting Assets or other property granted to or held by the Administrative Agent under any Transaction Document (x) upon the Final Payout Date, (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Transaction Documents, or (z) subject to Section 12.01, if approved, authorized or ratified in writing by the Required Purchasers.

Upon request by the Administrative Agent at any time, the Required Purchasers will confirm in writing the Administrative Agent's authority to release its interest in particular types or items of Supporting Assets or other property pursuant to this Section.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Supporting Assets, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Seller-Related Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Purchasers for any failure to monitor or maintain any portion of the Supporting Assets.

SECTION 10.11 No Reliance on Administrative Agent's Customer Identification Program. Each Purchaser Party acknowledges and agrees that neither such Purchaser Party, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Purchaser Party's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Money Laundering Law, any Anti-Corruption Law or any International Trade Law, including any programs involving any of the following items relating to or in connection with any of the Seller-Related Parties, their Affiliates or their agents, the Transaction Documents or the transactions hereunder or

contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under the CIP Regulations or such other applicable Laws.

SECTION 10.12 Certain ERISA Matters.

(a) Each Purchaser (x) represents and warrants, as of the date such Person became a Purchaser party hereto, to, and (y) covenants, from the date such Person became a Purchaser party hereto to the date such Person ceases being a Purchaser party hereto, for the benefit of, the Administrative Agent and the Structuring Agent and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Seller-Related Party, that at least one of the following is and will be true:

(i) such Purchaser 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 Purchaser’s entrance into, participation in, administration of and performance of the Investments, 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 Purchaser’s entrance into, participation in, administration of and performance of the Investments, the Commitments and this Agreement,

(iii) (A) such Purchaser 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 Purchaser to enter into, participate in, administer and perform the Investments, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Investments, 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 Purchaser, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Purchaser’s entrance into, participation in, administration of and performance of the Investments, 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 Purchaser.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Purchaser or (2) a Purchaser has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Purchaser further (x) represents and warrants, as of the date such

Person became a Purchaser party hereto, and (y) covenants, from the date such Person became a Purchaser party hereto to the date such Person ceases being a party hereto, for the benefit of, the Administrative Agent and the Structuring Agent and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Seller-Related Party, that none of the Administrative Agent or the Structuring Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Purchaser involved in such Purchaser's entrance into, participation in, administration of and performance of the Investments, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Transaction Document or any documents related hereto or thereto).

SECTION 10.13 Erroneous Payments.

(a) If the Administrative Agent notifies a Purchaser Party or other Secured Party, or any Person who has received funds on behalf of a Purchaser Party or other Secured Party (any Purchaser Party, Secured Party or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Purchaser Party, other Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of Capital, principal, interest, Yield, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Purchaser Party or other Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Purchaser Party or other Secured Party, or any Person who has received funds on behalf of a Purchaser Party or other Secured Party, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of Capital, principal, interest, Yield, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a

notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Purchaser Party or other Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Purchaser Party or other Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.12(b).

(c) Each Purchaser Party or other Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Purchaser Party or other Secured Party under any Transaction Document, or otherwise payable or distributable by the Administrative Agent to such Purchaser Party or other Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Purchaser that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “Erroneous Payment Return Deficiency”), upon the Administrative Agent’s notice to such Purchaser at any time, (i) such Purchaser shall be deemed to have assigned its Investments (but not its Commitments) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Investments (but not Commitments), the “Erroneous Payment Deficiency Assignment”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Seller) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, (ii) the Administrative Agent as the assignee Purchaser shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Purchaser shall become a Purchaser hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Purchaser shall cease to be a Purchaser hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall

survive as to such assigning Purchaser and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Investments subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Investments acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Purchaser shall be reduced by the net proceeds of the sale of such Investment (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Purchaser (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Purchaser and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold an Investment (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Purchaser or other Secured Party under the Transaction Documents with respect to each Erroneous Payment Return Deficiency (the “Erroneous Payment Subrogation Rights”).

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Seller Obligations or any other obligations owed by any Seller-Related Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from any Seller-Related Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including waiver of any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 10.13 shall survive the resignation or replacement of the Administrative Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Seller Obligations (or any portion thereof) under any Transaction Document.

ARTICLE XI

EXPENSES; INDEMNITY; DAMAGE WAIVER

SECTION 11.01 Costs and Expenses. The Seller shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable and documented fees, charges and disbursements of counsel for the Administrative Agent) in connection with the syndication of the purchase or financing facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Transaction Documents or any amendments, modifications or waivers of the

provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Purchaser Party (including the reasonable and documented fees, charges and disbursements of any counsel for the Administrative Agent or any Purchaser Party) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Transaction Documents, including its rights under this Section, or (B) in connection with the Investments made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of any Investment, and (iii) all reasonable out-of-pocket expenses of the Administrative Agent's regular employees and agents engaged periodically to perform audits of the Seller-Related Parties' books, records and business properties.

SECTION 11.02 Indemnification by the Seller. Without limiting any other rights that the Administrative Agent, the Purchaser Parties, the other Secured Parties and their respective assigns, officers, directors, agents and employees (each, a "Seller Indemnified Party") may have hereunder or under applicable Law, the Seller hereby agrees to indemnify each Seller Indemnified Party from and against any and all claims, losses and liabilities (including Attorney Costs) (all of the foregoing being collectively referred to as "Seller Indemnified Amounts") arising out of or resulting from this Agreement or any other Transaction Document or the use of proceeds of the Investments or the ownership or security interest in respect of any Pool Receivable or any other Supporting Assets; excluding, however, (a) Seller Indemnified Amounts to the extent a final non-appealable judgment of a court of competent jurisdiction holds that such Seller Indemnified Amounts resulted solely from the gross negligence or willful misconduct by the Seller Indemnified Party seeking indemnification and (b) Taxes (other than (x) Taxes enumerated in clause (xiv) below and (y) any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim). Without limiting or being limited by the foregoing, the Seller shall pay on the Settlement Date following demand (it being understood that if any portion of such payment obligation is made from Collections, such payment will be made at the time and in the order of priority set forth in Section 3.01(a)), to each Seller Indemnified Party any and all amounts necessary to indemnify such Seller Indemnified Party from and against any and all Seller Indemnified Amounts relating to or resulting from any of the following (but excluding Seller Indemnified Amounts and Taxes described in clauses (a) and (b) above):

(i) the Seller's or the Servicer's inclusion of any Pool Receivable as an Eligible Receivable in the Aggregate Eligible Receivables Balance or the Net Receivables Pool Balance when such Pool Receivables was not an Eligible Receivable at such time, or any failure by the Seller or the Servicer to accurately calculate or report the Aggregate Eligible Receivables Balance, the Adjusted Net Receivables Pool Balance, the Capital Coverage Amount, any Capital Coverage Deficit, the Net Receivables Pool Balance, the Specifically Reserved Dilution Amount or the Deferred Revenue Offset Amount in or as a part of any Pool Report, Investment Request, certificate, report, statement, document or other information delivered by the Seller or the Servicer to the Administrative Agent or any Purchaser hereunder;

(ii) any representation, warranty or statement made or deemed made by the Seller (or any of its respective officers) under or in connection with this Agreement, any of the other Transaction Documents, any Pool Report or any other

information or report delivered by or on behalf of the Seller pursuant hereto which shall have been untrue or incorrect when made or deemed made;

(iii) the failure by the Seller to comply with any applicable Law with respect to any Pool Receivable or the related Contract; or the failure of any Pool Receivable or the related Contract to conform to any such applicable Law;

(iv) the failure to vest in the Administrative Agent a first priority perfected ownership or security interest in all or any portion of the Supporting Assets, in each case free and clear of any Adverse Claim;

(v) the failure to have filed, or any delay in filing, financing statements, financing statement amendments, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable Laws with respect to any Pool Receivable and the other Supporting Assets and Collections in respect thereof, whether at the time of any Investment or at any subsequent time;

(vi) any dispute, claim or defense (other than discharge in bankruptcy of the Obligor) of an Obligor to the payment of any Pool Receivable (including a defense based on such Pool Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from or relating to collection activities with respect to such Pool Receivable;

(vii) any failure of the Seller to perform any of its duties or obligations in accordance with the provisions hereof and of each other Transaction Document related to Pool Receivables or to timely and fully comply with the Credit and Collection Policy in regard to each Pool Receivable;

(viii) any products liability, environmental or other claim arising out of or in connection with any Pool Receivable or other merchandise, goods or services which are the subject of or related to any Pool Receivable;

(ix) the misdirection of Collections or the commingling of Collections of Pool Receivables at any time with other funds;

(x) any investigation, litigation or proceeding (actual or threatened in writing) related to this Agreement or any other Transaction Document or the use of any Investments or the proceeds thereof or in respect of any Pool Receivable or other Supporting Assets or any related Contract;

(xi) any failure of the Seller to comply with its covenants, obligations and agreements contained in this Agreement or any other Transaction Document;

(xii) any setoff with respect to any Pool Receivable;

(xiii) any claim brought by any Person other than a Seller Indemnified Party arising from any activity by the Seller or any Affiliate of the Seller in servicing, administering or collecting any Pool Receivable;

(xiv) the failure by the Seller to pay when due any Taxes, including sales, excise or personal property taxes;

(xv) any failure of a Collection Account Bank to comply with the terms of the applicable Account Control Agreement, the termination by a Collection Account Bank of any Account Control Agreement or any amounts (including in respect of an indemnity) payable by the Administrative Agent to a Collection Account Bank under any Account Control Agreement;

(xvi) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Pool Receivable (including a defense based on such Pool Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of goods or the rendering of services related to such Pool Receivable or the furnishing or failure to furnish any such goods or services or other similar claim or defense not arising from the financial inability of any Obligor to pay undisputed indebtedness;

(xvii) any action taken by the Administrative Agent as attorney-in-fact for any Seller-Related Party pursuant to this Agreement or any other Transaction Document;

(xviii) the failure or delay to provide any Obligor with an invoice or other evidence of indebtedness;

(xix) the maintenance of any Linked Account with respect to any Collection Account or an Excluded Account or the debiting against any Collection Account or any Excluded Accounts of amounts as a result of any "Settlement Item" (as defined in the related Account Control Agreement) that generated in any Linked Account or any other account other than a Collection Account or an Excluded Account;

(xx) the use of proceeds of any Investment; or

(xxi) any reduction in Capital as a result of the distribution of Collections if all or a portion of such distributions shall thereafter be rescinded or otherwise must be returned for any reason.

SECTION 11.03 Indemnification by the Servicer. The Servicer hereby agrees to indemnify and hold harmless the Seller, the Administrative Agent, the Purchaser Parties, the other Secured Parties and their respective assigns, officers, directors, agents and employees (each, a "Servicer Indemnified Party"), from and against any loss, liability, expense, damage or injury suffered or sustained by reason of any acts, omissions or alleged acts or omissions arising

out of activities of the Servicer pursuant to this Agreement or any other Transaction Document, including any judgment, award, settlement, Attorney Costs and other costs or expenses incurred in connection with the defense of any actual or threatened (in writing) action, proceeding or claim (all of the foregoing being collectively referred to as, “Servicer Indemnified Amounts”); excluding (i) Servicer Indemnified Amounts to the extent a final non-appealable judgment of a court of competent jurisdiction holds that such Servicer Indemnified Amounts resulted solely from the gross negligence or willful misconduct by the Servicer Indemnified Party seeking indemnification, (ii) Taxes that are covered by Section 4.03 (other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim) and (iii) Servicer Indemnified Amounts to the extent the same includes losses in respect of Pool Receivables that are uncollectible solely on account of the insolvency, bankruptcy, lack of creditworthiness or other financial inability to pay of the related Obligor. Without limiting or being limited by the foregoing, the Servicer shall pay on the Settlement Date following demand, to each Servicer Indemnified Party any and all amounts necessary to indemnify such Servicer Indemnified Party from and against any and all Servicer Indemnified Amounts relating to or resulting from any of the following (but excluding Servicer Indemnified Amounts described in clauses (i), (ii) and (iii) above):

(i) the Servicer’s inclusion of any Pool Receivable as an Eligible Receivable in the Aggregate Eligible Receivables Balance or the Net Receivables Pool Balance when such Pool Receivables was not an Eligible Receivable at such time, or any failure by the Servicer to accurately calculate or report the Aggregate Eligible Receivables Balance, the Adjusted Net Receivables Pool Balance, the Capital Coverage Amount, any Capital Coverage Deficit, the Net Receivables Pool Balance, the Specifically Reserved Dilution Amount or the Deferred Revenue Offset Amount in or as a part of any Pool Report, Investment Request, certificate, report, statement, document or other information delivered by the Servicer to the Administrative Agent or any Purchaser hereunder;

(ii) any representation, warranty or statement made or deemed made by the Servicer (or any of its respective officers) under or in connection with this Agreement, any of the other Transaction Documents, any Pool Report or any other information or report delivered by or on behalf of the Servicer pursuant hereto which shall have been untrue or incorrect when made or deemed made;

(iii) the failure by the Servicer to comply with any applicable Law with respect to any Pool Receivable or the related Contract; or the failure of any Pool Receivable or the related Contract to conform to any such applicable Law;

(iv) the misdirection of Collections or the commingling of Collections of Pool Receivables at any time with other funds;

(v) any failure of a Collection Account Bank to comply with the terms of the applicable Account Control Agreement, the termination by a Collection Account Bank of any Account Control Agreement or any amounts (including in respect of an

indemnity) payable by the Administrative Agent to a Collection Account Bank under any Account Control Agreement;

(vi) the failure or delay to provide any Obligor with an invoice or other evidence of indebtedness;

(vii) the maintenance of any Linked Account with respect to any Collection Account or an Excluded Account or the debiting against any Collection Account or any Excluded Accounts of amounts as a result of any "Settlement Item" (as defined in the related Account Control Agreement) that generated in any Linked Account or any other account other than a Collection Account or an Excluded Account; or

(viii) any failure of the Servicer to comply with its covenants, obligations and agreements contained in this Agreement or any other Transaction Document.

SECTION 11.04 Reimbursement by Purchasers. To the extent that the Seller or the Servicer for any reason fails to indefeasibly pay any amount required under Section 11.01, 11.02 or 11.03 (as the case may be) to be paid by it to the Administrative Agent (or any sub-agent thereof) or any of their respective Related Parties, each Purchaser severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Purchaser's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on the Purchasers' respective Commitments at such time, or if all Commitments have been terminated, based on the Purchasers' respective Capital at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Purchaser).

SECTION 11.05 Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, each of the Seller and the Servicer agrees not to assert, and hereby waives, any claim against any Secured Party, 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 Transaction Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Investment or the use of the proceeds thereof. No Secured Party shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Transaction Documents or the transactions contemplated hereby or thereby, except to the extent such liability or damages are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Secured Party.

SECTION 11.06 Payments. All amounts due under this Article XI shall be payable not later than (i) in the case of such amounts due from the Seller, the first Settlement Date that occurs ten (10) or more days after demand therefor, or (ii) in any other case, ten (10) days after demand therefor.

SECTION 11.07 Survival. This Article XI and the parties' respective rights and obligations hereunder shall survive any termination of this Agreement.

ARTICLE XII

MISCELLANEOUS

SECTION 12.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or consent to any departure by any of the Seller or any Affiliate thereof shall be effective unless in a writing signed by the Administrative Agent and the Required Purchasers (and, in the case of any amendment, also signed by the Seller), and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that (A) no amendment, waiver or consent shall, unless in writing and signed by the Servicer, affect the rights or duties of the Servicer under this Agreement; and (B) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and each Purchaser:

(i) change (directly or indirectly) the definitions of, Adjusted Net Receivables Pool Balance, Aggregate Eligible Receivables Balance, Capital Coverage Amount Deficit, Defaulted Receivable, Deferred Revenue Offset Amount, Delinquent Receivable, Eligible Receivable, Facility Limit, Final Maturity Date, Net Receivables Pool Balance, Specifically Reserved Dilution Amount or Total Reserves contained in this Agreement, or increase the then existing Concentration Percentage for any Obligor or change the calculation of the Capital Coverage Amount;

(ii) reduce the amount of Capital or Yield that is payable on account of any Investment or with respect to any other Investment or delay any scheduled date for payment thereof;

(iii) change any Event of Default;

(iv) release all or a material portion of the Supporting Assets from the Administrative Agent's security interest created hereunder;

(v) release the Performance Guarantor from any of its obligations under the Performance Guaranty or terminate the Performance Guaranty;

(vi) change any of the provisions of this Section 12.01 or the definition of "Required Purchasers"; or

(vii) change the order of priority in which Collections are applied pursuant to Section 3.01(a).

Notwithstanding the foregoing, (A) no amendment, waiver or consent shall increase any Purchaser's Commitment hereunder without the consent of such Purchaser, (B) no amendment, waiver or consent shall reduce any Fees payable by the Seller to any Purchaser or delay the dates on which any such Fees are payable, in either case, without the consent of such Purchaser, and (C) no Defaulting Purchaser 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 Purchasers or each affected Purchaser may be effected with the consent of the applicable Purchasers other than Defaulting Purchasers), except that (x) the Commitment of any Defaulting Purchaser may not be increased or extended without the consent of such Defaulting Purchaser and (y) any waiver, amendment or modification requiring the consent of all Purchasers or each affected Purchaser that by its terms affects any Defaulting Purchaser disproportionately adversely relative to other affected Purchasers shall require the consent of such Defaulting Purchaser.

In addition, notwithstanding the foregoing, (a) with the consent of the Seller, the Administrative Agent may amend, modify or supplement this Agreement without the consent of any Purchaser or the Required Purchasers in order to correct or cure any ambiguity, inconsistency or defect or correct any typographical or ministerial error in this Agreement (provided that any such amendment, modification or supplement shall not be materially adverse to the interests of the Purchasers taken as a whole), and (b) without the consent of any Purchaser or the Seller, within a reasonable time after (x) the effective date of any increase or addition to, extension of or decrease from, the Facility Limit, or (y) any assignment by any Purchaser of some or all of its Commitment, the Administrative Agent shall, and is hereby authorized to, revise Schedule I to reflect such change, whereupon such revised Schedule I shall replace the old Schedule I and become part of this Agreement.

SECTION 12.02 No Implied Waivers; Cumulative Remedies. No course of dealing and no delay or failure of the Administrative Agent or any other Purchaser Party in exercising any right, power, remedy or privilege under this Agreement or any other Transaction Document shall affect any other or future exercise thereof or operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further exercise thereof or of any other right, power, remedy or privilege. The enumeration of the rights and remedies of the Administrative Agent and the other Purchaser Parties specified in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Purchaser Parties of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Transaction Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No reasonable delay or failure to take action on the part of the Administrative Agent or any other Purchaser Party in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default.

SECTION 12.03 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 paragraph (b) below), all notices and other communications provided for herein shall be in

writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile to the relevant party as specified on Schedule III hereto. Notices shall be deemed received if: (i) sent by hand, upon personal delivery, (ii) sent by overnight courier service, one (1) Business Day after the delivery to such courier service, or (ii) mailed by certified or registered mail, three (3) Business Days after deposit in the mail; notices sent by facsimile shall be deemed to have been given when upon sender's receipt of confirmation of proper transmission. Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in such paragraph (b).

(b) Electronic Communications. Notices and other communications to the Purchaser Parties hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent. The Administrative Agent or the Seller may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. 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.

(c) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) Each of the Seller and the Servicer agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Purchaser Parties by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications 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 Seller-Related Party, any Purchaser Party or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Seller-Related Party's or the Administrative Agent's transmission of communications through the Platform. "Communications" means,

collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Seller-Related Party pursuant to any Transaction Document or the transactions contemplated therein which is distributed to the Administrative Agent or any other Purchaser Party by means of electronic communications pursuant to this Section, including through the Platform.

SECTION 12.04 Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Purchasers shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

SECTION 12.05 Duration; Survival. All representations and warranties of the Seller-Related Parties contained herein or made in connection herewith shall survive the execution and delivery of this Agreement and the completion of the transactions hereunder, and shall continue in full force and effect until the Final Payout Date. All covenants and agreements of the Seller-Related Parties contained herein relating to the payment of Capital, principal, interest, Yield, premiums, additional compensation or expenses and indemnification, or that are otherwise specified as surviving termination of this Agreement, in each case, shall survive the Final Payout Date and any termination of this Agreement. All other covenants and agreements of the Seller-Related Parties shall continue in full force and effect from and after the Closing Date and until the Final Payout Date.

SECTION 12.06 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 Seller nor any other Seller-Related Party may assign or otherwise transfer any of its rights or obligations hereunder (including, in each case, by way of an LLC Division) without the prior written consent of the Administrative Agent and each Purchaser and, other than as provided in Section (c), neither a Purchaser nor a Conduit Purchaser may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (e) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (e) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Purchasers) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Purchasers. Any Purchaser may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Investments at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(1) in the case of an assignment of the entire remaining amount of the assigning Purchaser's Commitment and the Investments at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(2) of this Section in the aggregate or in the case of an assignment to a Purchaser, an Affiliate of a Purchaser or an Approved Fund, no minimum amount need be assigned; and

(2) in any case not described in clause (i)(1) of this Section, the aggregate amount of the Commitment (which for this purpose includes Investments outstanding thereunder) or, if the applicable Commitment is not then in effect, the outstanding Capital of the Investments of the assigning Purchaser subject to each such assignment (determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption Agreement, as of such 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 Seller 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 Purchaser's rights and obligations under this Agreement with respect to the Investment or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(2) of this Section and, in addition:

(1) the consent of the Seller (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Purchaser, an Affiliate of a Purchaser or an Approved Fund; provided that the Seller 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; and

(2) 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 Purchaser with a Commitment, an Affiliate of such Purchaser or an Approved Fund with respect to such Purchaser.

(iv) Assignment and Assumption Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee of \$3,500. The assignee, if it is not a Purchaser, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to any Seller-Related Party or any Seller-Related Party's Affiliates or Subsidiaries or (B) to any Defaulting Purchaser or any of its Subsidiaries, or any Person who, upon becoming a Purchaser hereunder, would constitute a Defaulting Purchaser or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Purchaser hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto specified 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 Seller and the Administrative Agent, the applicable pro rata share of Investments previously requested but not funded by the Defaulting Purchaser, 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 Purchaser to the Administrative Agent and each other Purchaser hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Investments. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Purchaser hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Purchaser for all purposes of this Agreement until such compliance occurs.

(viii) Effectiveness; Release. Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (d) below, from and after the effective date specified in each Assignment and Assumption Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Purchaser under this Agreement, and the assigning Purchaser thereunder shall, to the

extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Purchaser's rights and obligations under this Agreement, such Purchaser shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.04, Section 4.01, and Article 11 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 Purchaser will constitute a waiver or release of any claim of any party hereunder arising from that Purchaser's having been a Defaulting Purchaser. Any assignment or transfer by a Purchaser of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Purchaser of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) Assignments by and to Conduit Purchasers. Each Conduit Purchaser may freely assign its Loans or any portion thereof, or interest therein, to its Related Committed Purchaser or any of such Conduit Purchaser's Liquidity Providers at any time without prior notice to, or any consent of, any other Person. Any Conduit Purchaser's Related Committed Purchaser or Liquidity Provider may freely assign its Loans or any portion thereof, or interest therein, to its Related Conduit Purchaser at any time without prior notice to, or any consent of, any other Person. If such assignment is made to a Liquidity Provider that is not already party to this Agreement as a Purchaser, the parties to such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance Agreement, and such Liquidity Provider shall thereby become a Purchaser party hereto pursuant to the last paragraph of clause (a) above. The applicable Related Committed Purchaser shall provide the Seller and the Administrative Agent written notice of any assignment of a Loan or any portion hereof pursuant to this clause (b) promptly but not later than one (1) Business Day thereafter. This clause (b) shall not be construed to permit any Committed Purchaser to assign any portion of its Commitment to any Conduit Purchaser.

(d) Register. The Administrative Agent, acting solely for this purpose as an agent of the Seller, shall maintain at one of its offices a copy of each Assignment and Assumption Agreement delivered to it and a register for the recordation of the names and addresses of the Purchasers, and the Commitments of, and outstanding Capital (and stated Yield or interest) of the Investments owing to, each Purchaser pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Seller, the Administrative Agent and the Purchasers shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Purchaser hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Seller and any Purchaser, at any reasonable time and from time to time upon reasonable prior notice.

(e) Participations. Any Purchaser may at any time, without the consent of, or notice to, the Seller or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Seller or any of the Seller's Affiliates or

Subsidiaries) (each, a “Participant”) in all or a portion of such Purchaser’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Investments owing to it); provided that (i) such Purchaser’s obligations under this Agreement shall remain unchanged, (ii) such Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Seller, the Administrative Agent and the other Purchaser Parties shall continue to deal solely and directly with such Purchaser in connection with such Purchaser’s rights and obligations under this Agreement. For the avoidance of doubt, each Purchaser shall be responsible for any indemnity under Article XI with respect to any payments made by such Purchaser to its Participant(s).

Any agreement or instrument pursuant to which a Purchaser sells such a participation shall provide that such Purchaser 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 Purchaser will not, without the consent of the Participant, agree (other than as is already provided for herein) to any amendment, modification or waiver with respect to any matter specified in clause (i) through (vii) of Section 12.01 that affects such Participant. The Seller agrees that each Participant shall be entitled to the benefits of Sections 2.04, 4.01, 4.02 and 4.03 (subject to the requirements and limitations therein, including the requirements under Section 4.03(g) (it being understood that the documentation required under Section 4.03(g) shall be delivered to the participating Purchaser)) to the same extent as if it were a Purchaser and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 4.04 as if it were an assignee under to paragraph (b) of this Section 12.06; and (B) shall not be entitled to receive any greater payment under Sections 4.01 or 4.03, with respect to any participation, than its participating Purchaser 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 Purchaser that sells a participation agrees, at the Seller’s request and expense, to use reasonable efforts to cooperate with the Seller to effectuate the provisions of Section 4.04 with respect to any Participant. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 9.02(b) as though it were a Purchaser; provided that such Participant agrees to be subject to Section 3.03 as though it were a Purchaser. Each Purchaser that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Seller, maintain a register on which it enters the name and address of each Participant and the Capital or principal amounts (and stated interest or Yield) of each Participant’s interest in the Investments or other obligations under the Transaction Documents (the “Participant Register”); provided that no Purchaser 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 Transaction 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 Purchaser 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.

(f) Certain Pledges; Successors and Assigns Generally. Any Purchaser may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for such Purchaser as a party hereto.

(g) Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Purchaser may exchange, continue or rollover all or a portion of its Investments 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 Seller, the Administrative Agent and such Purchaser.

(h) Arrangers/Bookrunners. Notwithstanding anything to the contrary contained in this Agreement, the name of any arranger and/or bookrunner listed on the cover page of this Agreement may be changed by the Administrative Agent to the name of any Purchaser or Purchaser's broker-dealer Affiliate, upon written request to the Administrative Agent by any such arranger and/or bookrunner and the applicable Purchaser or Purchaser's broker-deal Affiliate.

(i) Pledge to ABCP Collateral Agents & Trustees. Each Conduit Purchaser may at any time pledge or grant a security interest in all or any portion of its interest in, to and under such Conduit Purchaser's Loans and the Transaction Documents to any collateral agent or trustee for such Conduit Purchaser's asset-backed commercial paper program without notice to or the consent of any party hereto; provided, however, that that no such pledge shall relieve any Conduit Purchaser of its obligations hereunder.

SECTION 12.07 No Proceedings. Each of the Servicer, the Purchasers and each assignee of an Investment or any interest therein, hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, the Seller any Relief Proceeding until one year and one day after the Final Payout Date; provided, that the Administrative Agent may take any such action in its sole discretion following the occurrence of an Event of Default. The provisions of this Section shall survive any termination of this Agreement.

SECTION 12.08 Confidentiality.

(a) General. Each Purchaser Party agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process; (iv) to any other party hereto; (v) in connection with the exercise of any remedies hereunder or

under any other Transaction Document or any action or proceeding relating to this Agreement or any other Transaction Document or the enforcement of rights hereunder or thereunder; (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Seller and its obligations, this Agreement or payments hereunder; (vii) to (A) any rating agency in connection with rating the Seller or its Subsidiaries or the Investments or (B) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the transactions contemplated hereby; (viii) with the consent of the Seller; or (ix) to the extent such Information (A) becomes publicly available other than as a result of a breach of this clause (a), or (B) becomes available to the Administrative Agent, any other Purchaser Party or any of their respective Affiliates on a nonconfidential basis from a source other than the Seller. In addition, the Administrative Agent and the other Purchaser Parties 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 Purchaser Parties in connection with the administration of this Agreement, the other Transaction Documents and the Commitments.

For purposes of this Section, “Information” means all information received from the Seller-Related Parties or any of their Subsidiaries in connection with the transactions contemplated by the Transaction Documents relating to the Seller-Related Parties or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any other Purchaser Party on a nonconfidential basis prior to disclosure by the Seller-Related Parties or any of their Subsidiaries; provided that, in the case of information received from the Seller-Related Parties or any of their Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information, but in no event less than reasonable care.

For the avoidance of doubt, nothing in this Section shall prohibit any Person from voluntarily communicating, disclosing or providing information within the scope of the confidentiality provisions of this Section regarding suspected violations of laws, rules, or regulations to a governmental, regulatory or self-regulatory organization without any notification to any Person.

(b) Sharing Information With Affiliates of the Purchasers. Each of the Seller and the Servicer acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Seller or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Purchaser or by one or more Subsidiaries or Affiliates of such Purchaser and each of the Seller-Related Parties hereby authorizes each Purchaser to share any information delivered to such Purchaser by such Seller-Related Party and

its Subsidiaries pursuant to this Agreement with any such Subsidiary or Affiliate of the Purchaser subject to the provisions of Section 12.08(a).

(c) By Seller and Servicer. Each of the Seller and the Servicer covenants and agrees to hold in confidence, and not disclose to any Person, the terms of this Agreement or the Fee Letter (including any fees payable in connection with this Agreement, the Fee Letter or any other Transaction Document or the identity of the Administrative Agent or any other Purchaser Party); provided, however, that it may disclose such information (i) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential); (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties; (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process; (iv) to any other party hereto; (v) with the consent of the Administrative Agent and each Purchaser; or (vi) to the extent such information becomes publicly available other than as a result of a breach of this clause (c).

SECTION 12.09 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Transaction Documents 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, including any prior confidentiality agreements and commitments. Except as provided in Article V, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Transaction Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state Laws based on the Uniform Electronic Transactions Act.

SECTION 12.10 CHOICE OF LAW; SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) Governing Law. This Agreement and the other Transaction 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 Transaction Document (except, as to any other Transaction Document, as expressly specified 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.

The Seller, the Servicer and each other Seller-Related Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Purchaser or any Related Party of the foregoing in any way relating to this Agreement or any other Transaction Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement or in any other Transaction Document shall affect any right that the Administrative Agent or any Purchaser may otherwise have to bring any action or proceeding relating to this Agreement or any other Transaction Document against the Seller, the Servicer or any other Seller-Related Party or its properties in the courts of any jurisdiction.

(b) Waiver of Venue. The Seller, the Servicer and each other Seller-Related Party irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Transaction Document in any court referred to in paragraph (a) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 12.03. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Law.

(d) 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 TRANSACTION 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 TRANSACTION DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 12.11 Intent of the Parties. The Seller has structured this Agreement with the intention that the Investments and the obligations of the Seller hereunder will be treated under United States federal, and applicable state, local and foreign tax law as debt (the “Intended Tax Treatment”). The Seller, the Servicer, the Administrative Agent and the other Purchaser Parties agree to file no tax return, or take any action, inconsistent with the Intended Tax Treatment unless required by a final determination within the meaning of Section 1313 of the Code (or similar or analogous state, local or foreign Tax law). Each assignee and each Participant acquiring an interest in an Investment, by its acceptance of such assignment or participation, agrees to comply with the immediately preceding sentence.

SECTION 12.12 Mutual Negotiations. This Agreement and the other Transaction Documents are the product of mutual negotiations by the parties thereto and their counsel, and no party shall be deemed the draftsman of this Agreement or any other Transaction Document or any provision hereof or thereof or to have provided the same. Accordingly, in the event of any inconsistency or ambiguity of any provision of this Agreement or any other Transaction Document, such inconsistency or ambiguity shall not be interpreted against any party because of such party’s involvement in the drafting thereof.

SECTION 12.13 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Transaction Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Transaction 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 party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent 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 Transaction Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-down and Conversion Powers of the applicable Resolution Authority.

SECTION 12.14 USA PATRIOT Act Notice. Each Purchaser that is subject to the USA PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Purchaser) hereby notifies Seller-Related Parties that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Seller-Related Parties, which information includes the name and address of Seller-Related Parties and other information that will allow such Purchaser or Administrative Agent, as applicable, to identify the Seller-Related Parties in accordance with the USA PATRIOT Act. The Seller shall, promptly following a request by the Administrative Agent or any Purchaser, provide all documentation and other information that the Administrative Agent or such Purchaser requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act.

SECTION 12.15 Acknowledgement Regarding Any Supported QFCs. To the extent that the Transaction Documents provide support, through a guarantee or otherwise, for any 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 Transaction 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 Transaction 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 Transaction 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 Purchaser 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, 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).

SECTION 12.16 Conduit Purchasers.

(a) Each Conduit Purchaser (or its related CP Issuer) or its Related Committed Purchaser, Liquidity Provider or any of their respective agents or designees (including any sponsor, servicer, servicing agent, administrative agent or Person acting in a similar capacity, in each case, pursuant to the agreements governing such Conduit Purchaser’s asset-backed commercial paper program) may post to a secured password-protected internet website maintained by such Person in connection with Rule 17g-5 (as defined below) such information as any Rating Agency may request in connection with the confirming or monitoring of its rating of such Conduit Purchaser’s (or its related CP Issuer’s) CP Notes or that any such Person may otherwise determine is necessary or appropriate to post to such website in furtherance of the requirements of, or as contemplated by 17 CFR 240.17g-5(a)(3).

(b) Each party hereto agrees that it will not institute against, or join any other Person in instituting against, any Conduit Purchaser (or any related CP Issuer) any Relief Proceeding so long as any CP Notes or other senior indebtedness issued by such Conduit Purchaser or such CP Issuer remain outstanding or there shall not have elapsed one year plus one day since the last day on which any such CP Notes or other senior indebtedness have been outstanding.

(c) Notwithstanding anything to the contrary herein, no Conduit Purchaser shall have any obligation to pay any amount, if any, payable by it pursuant to this Agreement or any other Transaction Document unless (i) such Conduit Purchaser has received funds which may be used to make such payment and which funds are not required to repay such Conduit Purchaser’s CP Notes when due and (ii) after giving effect to such payment, either (x) such Conduit Purchaser (or its related CP Issuer) could issue CP Notes to refinance all of its outstanding CP Notes (assuming such outstanding CP Notes matured at such time) in accordance with the program documents governing such Conduit Purchaser’s securitization program or (y) all of such Conduit Purchaser’s CP Notes are paid in full. Any amount which any Conduit Purchaser does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the Bankruptcy Code) against or company obligation of such Conduit Purchaser for any such insufficiency unless and until such Conduit Purchaser satisfies the provisions of clauses (i) and (ii) above. Any amount that would otherwise be payable by a Conduit Purchaser pursuant to this Agreement or any other Transaction Document that is not paid or payable when due as a result of this clause (c) shall be payable when due by such Conduit Purchaser’s Related Committed Purchaser notwithstanding this clause (c).

(d) Any notice delivered by any party hereto to a Conduit Purchaser's Related Committed Purchaser shall be deemed to have been delivered to such Conduit Purchaser for all purposes. Each party to this Agreement may assume that (i) each Related Committed Purchaser is acting for the benefit and on behalf of its Related Conduit Purchaser, as well as for the benefit of each assignee or other transferee from any such Related Conduit Purchaser and (ii) each action taken by each Related Committed Purchaser has been duly authorized and approved by all necessary action on the part of its Related Conduit Purchaser and any assignee or other transferee of such Related Conduit Purchaser. Without limiting the foregoing, any advice, consent, concurrence or waiver granted by a Related Committed Purchaser pursuant to this Agreement or any other Transaction Document shall be deemed to have been granted by such Related Committed Purchaser in its individual capacity and by its Related Conduit Purchaser and by any assignee or other transferee of such Related Conduit Purchaser.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written

FORTREA RECEIVABLES LLC, as Seller

By:
Name:
Title:

FORTREA INC., as Servicer

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as a Purchaser

By:
Name:
Title:

PNC CAPITAL MARKETS LLC,
as Structuring Agent

By:
Name:
Title:

List of Subsidiaries of the Company

Entity Name	Jurisdiction of Formation
Fortrea Argentina S.A.	Argentina
Fortrea Australia Pty Ltd	Australia
Fortrea Austria GmbH	Austria
Fortrea Belgium SRL	Belgium
Fortrea Brazil Limitada	Brazil
Fortrea Development Limited - Bulgarian Branch	Bulgaria
Theorem Research Associates, Inc.	California
Fortrea Canada Inc.	Canada
Fortrea Chile Limitada	Chile
Fortrea Pharmaceutical Research & Development (Beijing) Co Ltd, Chengdu Branch	China
Fortrea Pharmaceutical Research & Development (Beijing) Co Ltd, Nanjing Branch	China
Fortrea Pharmaceutical Research & Development (Beijing) Co Ltd, Shanghai Branch	China
Fortrea Pharmaceutical Research & Development (Beijing) Co Ltd, Xi'an Branch	China
Fortrea Pharmaceutical Research & Development (Beijing) Co., Ltd. Dalian Branch	China
Fortrea Pharmaceutical Research & Development (Beijing) Co., Ltd. Guangzhou Branch	China
Fortrea Pharmaceutical Research & Development (Beijing) Co., Ltd., Hangzhou Branch	China
Fortrea Pharmaceutical Research and Development (Beijing)Co., Ltd.	China
Fortrea Colombia Ltda	Colombia
Fortrea Costa Rica SRL	Costa Rica
Fortrea Development Limited odštěpný závod	Czechia
Fortrea Asia-Pacific Inc.	Delaware
Fortrea CRU Inc.	Delaware
Fortrea Holdings Inc.	Delaware
Fortrea Latin America Inc.	Delaware
Fortrea Receivables LLC	Delaware
SnapIoT, Inc.	Delaware
Fortrea Denmark ApS	Denmark
Fortrea Development Limited Eesti filiaal	Estonia
Fortrea Development Limited Suomen sivuliike	Finland
Fortrea Clinical Research Unit Inc.	Florida
Fortrea France SARL	France
Fortrea Germany GmbH	Germany
Fortrea Development Limited Greek Branch	Greece
Fortrea Guatemala S.A.	Guatemala
Fortrea Hong Kong Limited	Hong Kong

Fortrea Hungary Kft	Hungary
Fortrea Clinical Development Pvt Ltd	India
Fortrea Development India Private Limited	India
Fortrea Scientific Private Limited	India
Fortrea Ireland Limited	Ireland
Fortrea Development Limited	Israel
Fortrea Development Limited Filiale Italiana	Italy
SnapIoT Europe s.r.l.	Italy
Fortrea Japan K.K.	Japan
Fortrea Korea Limited	Korea, Republic Of
Fortrea Development Limited Latvijas filiāle	Latvia
Fortrea Development Limited filialas	Lithuania
Fortrea Malaysia Sdn. Bhd.	Malaysia
Fortrea Inc.	Maryland
Fortrea Clinical Development Mexico S.DeR.L.DeC.V.	Mexico
Fortrea Netherlands B.V.	Netherlands
Theorem Clinical Research Holdings B.V.	Netherlands
Theorem Clinical Research International B.V	Netherlands
Theorem Clinical Research Latin America B.V.	Netherlands
Fortrea New Zealand Limited	New Zealand
Fortrea Development Limited	Norway
Fortrea GP, Inc.	Nevada
Fortrea Research Holdings LLC	Nevada
Fortrea Peru S.A.	Peru
Fortrea Philippines Inc.	Philippines
Fortrea Poland Sp. z o.o.	Poland
Fortrea Development Limited Sucursal em Portugal	Portugal
Fortrea Development Limited Maidenhead Sucursala Bucuresti	Romania
Fortrea Development Limited (Moscow)	Russian Federation
Fortrea Development Limited (St Petersburg)	Russian Federation
Fortrea Development Limited Predstavništvo	Serbia
Fortrea Singapore Pte. Ltd.	Singapore
Fortrea Development Limited - o.z.	Slovakia
Fortrea South Africa (Pty) Limited	South Africa
Fortrea Spain SA	Spain
Fortrea Development Limited Sverige filial	Sweden
Fortrea Switzerland AG	Switzerland
Fortrea Taiwan Limited	Taiwan, Province Of China
Fortrea (Thailand) Limited	Thailand
Fortrea Turkey Clinical Study Limited Company	Turkey
Fortrea Clinical Research LP	Texas
Fortrea Data Sciences Ukraine LLC	Ukraine
Fortrea Development Ukraine LLC	Ukraine
Chiltern International Limited (CIL)	United Kingdom

Fortrea Clinical Research Unit Limited
Fortrea Development Limited
Fortrea UK Holdings Limited
Havenfern Ltd

United Kingdom
United Kingdom
United Kingdom
United Kingdom

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-273037, 333-289976, and 333-289977 on Form S-8 of our reports dated February 26, 2026, relating to the consolidated and combined financial statements of Fortrea Holdings Inc. and the effectiveness of Fortrea Holdings Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte and Touche LLP

Raleigh, North Carolina
February 26, 2026

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Anshul Thakral, certify that:

1. I have reviewed this Annual Report on Form 10-K of Fortrea Holdings Inc. (the “registrant”);
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 26, 2026

/s/ Anshul Thakral

Anshul Thakral

President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jill McConnell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Fortrea Holdings Inc. (the “registrant”);
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 26, 2026

/s/ Jill McConnell

Jill McConnell

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Anshul Thakral, Chief Executive Officer of Fortrea Holdings Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: February 26, 2026

/s/ Anshul Thakral

Anshul Thakral

President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jill McConnell, Chief Financial Officer of Fortrea Holdings Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: February 26, 2026

/s/ Jill McConnell

Jill McConnell

Chief Financial Officer

(Principal Financial Officer)