

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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 001-33829



Keurig Dr Pepper Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

98-0517725

(I.R.S. employer identification number)

53 South Avenue
Burlington, Massachusetts 01803

(Address of principal executive offices)

(781) 418-7000

(Registrant's telephone number, including area code)

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 Exchange Act. Yes ☐ No ☒

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

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

Indicate by check mark whether the registrant 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 § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock	KDP	The Nasdaq Stock Market LLC

As of June 30, 2024, the aggregate market value of the registrant's common equity held by non-affiliates of the registrant was approximately \$35.5 billion (based on the closing sales price of the registrant's common stock on that date). As of February 21, 2025, there were 1,356,750,877 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with the registrant's Annual Meeting of Stockholders are incorporated by reference in Part III.

KEURIG DR PEPPER INC.
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2024

PART I

Item 1	Business	1
Item 1A	Risk Factors	9
Item 1B	Unresolved Staff Comments	22
Item 1C	Cybersecurity	22
Item 2	Properties	23
Item 3	Legal Proceedings	23
Item 4	Mine Safety Disclosures	23

PART II

Item 5	Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities	24
Item 6	[Reserved]	24
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	42
Item 8	Financial Statements and Supplementary Data	43
Item 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosures	106
Item 9A	Controls and Procedures	106
Item 9B	Other Information	107
Item 9C	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	108

PART III

Item 10	Directors, Executive Officers, and Corporate Governance	109
Item 11	Executive Compensation	109
Item 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	109
Item 13	Certain Relationships and Related Transactions and Director Independence	109
Item 14	Principal Accountant Fees and Services	109

PART IV

Item 15	Exhibits and Financial Statement Schedules	110
Item 16	Form 10-K Summary	113
	Signatures	114

KEURIG DR PEPPER INC.
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2024

MASTER GLOSSARY

Term	Definition
2009 Incentive Plan	Keurig Dr Pepper Inc. Omnibus Incentive Plan of 2009 (formerly known as the Dr Pepper Snapple Group, Inc. Omnibus Stock Incentive Plan of 2009)
2019 Incentive Plan	Keurig Dr Pepper Inc. Omnibus Incentive Plan of 2019
Revolving Credit Agreement	KDP's \$4 billion revolving credit agreement, which was executed in February 2022
ABC	The American Bottling Company, a wholly-owned subsidiary of KDP
ABI	Anheuser-Busch InBev SA/NV, a related party of KDP as of December 31, 2024
AOCI	Accumulated other comprehensive income or loss
ASU	Accounting Standards Update
Athletic Brewing	Athletic Brewing Holding Company, LLC, an equity method investment of KDP
Board	The Board of Directors of KDP
bps	basis points
Central States	The Central States, Southeast and Southwest Areas Pension Fund
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chobani	FHU US Holdings LLC, an equity method investment of KDP
CISO	Chief Information Security Officer
Coca-Cola	The Coca-Cola Company
CODM	Chief Operating Decision Maker
CSD	Carbonated soft drink
DIO	Days inventory outstanding
DPO	Days of payables outstanding
DPS	Dr Pepper Snapple Group, Inc.
DPS Merger	The combination of the business operations of Keurig and DPS as of July 9, 2018
DSD	Direct Store Delivery, KDP's route-to-market whereby finished beverages are delivered directly to retailers
DSO	Days sales outstanding
EPS	Earnings per share
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FX	Foreign exchange
GHOST	GHOST Lifestyle LLC, a Delaware limited liability company
GHOST Transactions	The series of transactions by which KDP acquired 60% of the interests in GHOST effective December 31, 2024, agreed to purchase the remaining 40% of the interests in GHOST in 2028, and obtained the rights to distribute GHOST products effective March 3, 2025
IT	Information technology
IRA	Inflation Reduction Act of 2022
IRS	Internal Revenue Service
JAB	JAB Holding Company S.a.r.l., and affiliates
JPMorgan	JPMorgan Chase Bank, N.A.
Kalil	Kalil Bottling Company
Kalil Acquisition	The acquisition of all production, sales, and distribution assets of Kalil by KDP on August 9, 2024

KEURIG DR PEPPER INC.
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2024

Term	Definition
Keurig	Keurig Green Mountain, Inc., a wholly-owned subsidiary of KDP, and the brand of our brewers
La Colombe	La Colombe Holdings, Inc.
LRB	Liquid refreshment beverages
Nasdaq	The Nasdaq Stock Market LLC
Notes	Collectively, KDP's senior unsecured notes
Nutrabolt	Woodbolt Holdings LLC, d/b/a Nutrabolt, an equity method investment of KDP
PepsiCo	PepsiCo, Inc.
Peet's	Peet's Coffee & Tea, Inc.
PET	Polyethylene terephthalate, which is used to make KDP's plastic bottles
PFAS	Per- and polyfluoroalkyl substances
PRMB	Post-retirement medical benefit
Proxy Statement	The definitive proxy statement for the Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2024, pursuant to Regulation 14A under the Exchange Act
PSU	Performance stock unit
Revive	Revive Brands, a wholly-owned subsidiary of KDP
rPET	Post-consumer recycled PET
RSU	Restricted stock unit
RTD	Ready to drink
RVG	Residual value guarantee
S&P	Standard & Poor's
SEC	Securities and Exchange Commission
SG&A	Selling, general and administrative
SOFR	Secured Overnight Financing Rate
Term Loan Agreement	Term loan agreement entered into on October 25, 2024, among KDP, the lenders party thereto and Bank of America, N.A., as administrative agent.
Tractor	Tractor Beverages, Inc., an equity method investment of KDP
U.S. GAAP	Accounting principles generally accepted in the U.S.
Veyron SPEs	Special purpose entities with a single sponsor, Veyron Global
VIE	Variable interest entity
Vita Coco	The Vita Coco Company, Inc.
Walmart	Walmart Inc.
WD	Warehouse Direct, KDP's route-to-market whereby finished beverages are shipped to retailer warehouses, and then delivered by the retailer through its own delivery system to its stores
WIP	Work-in-process

References throughout this Annual Report on Form 10-K to "KDP", "we", "us", and "our", refer to Keurig Dr Pepper Inc. and all wholly-owned subsidiaries included in our audited Consolidated Financial Statements.

The following discussion should be read in conjunction with our audited Consolidated Financial Statements and the related Notes thereto included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that are based on management's current expectations, estimates, and projections about our business and operations. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of various factors, including the factors described under "Risk Factors" within Item 1A and elsewhere in this Annual Report on Form 10-K, and subsequent filings with the SEC.

PART I

ITEM 1. BUSINESS

OUR COMPANY

Keurig Dr Pepper Inc. is a leading beverage company in North America that manufactures, markets, distributes, and sells hot and cold beverages and single serve brewing systems. KDP has a broad portfolio of iconic beverage brands, including Dr Pepper, Canada Dry, Mott's, A&W, Peñafiel, Snapple, 7UP, Green Mountain Coffee Roasters, GHOST, Clamato, Core Hydration, and The Original Donut Shop, as well as the Keurig brewing system. We have some of the most recognized beverage brands in North America, with significant consumer awareness levels and long histories that evoke strong emotional connections with consumers. We have a portfolio of more than 125 owned, licensed, and partner brands, as well as powerful distribution capabilities.

KDP was created on July 9, 2018, through the combination of the business operations of Keurig, a leading producer of innovative single serve brewing systems and specialty coffee in the U.S. and Canada, and DPS, a company built over time through a series of strategic acquisitions that brought together iconic beverage brands in North America. Today, we trade on Nasdaq under the symbol KDP.

OUR STRENGTHS AND STRATEGY

Our strategic framework starts with our purpose to *Drink Well. Do Good.* We aim to enhance the experience of every beverage occasion and to make a positive impact for people, communities, and the planet. Our vision is to be a total beverage leader, offering a beverage for every need, anytime, anywhere. We support our purpose and vision with five key strategies:

Champion consumer-obsessed brand building. We own a diverse portfolio of well-known beverage brands. Many of our brands enjoy high levels of consumer awareness, preference, and loyalty rooted in their rich heritage. This portfolio provides our customers with a wide variety of products to meet consumers' needs and provides us with a platform for growth and profitability. We drive growth in our business through investments in innovation, renovation, and marketing to support our portfolio of owned brands and partnerships with other leading beverage brands. We lead with deep consumer insights that inform our brand positioning and surface opportunities to address unmet needs. We have a robust innovation program, which is designed to meet consumers' changing flavor and beverage preferences and to grow our share of beverage occasions.

Amplify our route-to-market advantage. We have strategically-located distribution capabilities, which enable us to better align our operations with our customers and our sales channels, to ensure our products are available to meet consumer demand, to reduce transportation costs, and to have greater control over the timing and coordination of new product launches. We actively manage transportation of our products using our fleet (owned and leased) of approximately 7,100 vehicles in the U.S. and 2,200 in Mexico, as well as third party logistics providers.

With our Keurig.com website, we have a leading direct-to-consumer e-commerce platform which provides us insights and expertise in the e-commerce channel. We have been able to translate those insights and experiences to our LRB business as the number of fulfillment options that are better suited economically for beverages has evolved, leading to growth in the e-commerce channel. We continually invest in digital tools and capabilities as part of our route-to-market strategy, and as one element of a holistic digital transformation across KDP.

Shape our now and next beverage portfolio. We have cultivated relationships with leading beverage brands to create long-term partnerships that enable us and our partners to benefit equitably in future value creation, and where appropriate, we bring these partner brands into our owned portfolio through acquisitions. We continually evaluate making investments in companies that fill in whitespace in our portfolio.

Generate fuel for growth. We focus on critical transformational investments that drive continuous productivity and network optimization. We also maintain an emphasis on lean overheads in order to drive increasing operating leverage and fund our investments in our growth opportunities.

Dynamically allocate capital. Our highly efficient business model, focused on an optimized capital structure, gives us optionality to invest internally and pursue investments, partnerships, acquisitions, or other opportunities to continue to drive growth and create value.

OUR PRODUCTS AND OPERATING STRUCTURE

We are a leading integrated brand owner, manufacturer, and distributor of beverages in the U.S., Canada, Mexico, and the Caribbean.

Operating and Reportable Segments

As of December 31, 2024, our operating structure consists of three operating and reportable segments: U.S. Refreshment Beverages, U.S. Coffee, and International. Segment financial data, including financial information about foreign and domestic operations, is included in Note 8 of the Notes to our Consolidated Financial Statements.

U.S. Refreshment Beverages

Our U.S. Refreshment Beverages segment is a brand owner, manufacturer, and distributor of LRBs in the U.S. In this segment, we manufacture and distribute beverage concentrates, syrups, and finished beverages of our brands to third-party bottlers, distributors, retailers, and, ultimately, the end consumer.

We manufacture beverage concentrates and syrups, which we then sell throughout the U.S. to third party bottlers or use them in our own manufacturing systems. Beverage concentrates, which are highly concentrated proprietary flavors, are combined with carbonation, water, sweeteners, and other ingredients, packaged in cans, bottles, or other packaging, and sold as a packaged beverage to retailers and, ultimately, the end consumer. Beverage concentrates are also manufactured into syrup, which is shipped to fountain customers, such as fast food restaurants, who mix the syrup with water and carbonation to create a finished beverage at the point of sale to consumers. Dr Pepper represents most of our fountain channel volume.

We manufacture and distribute finished beverages of our own beverage brands. Additionally, in order to maximize the size and scale of our manufacturing and distribution operations, we also distribute finished beverages for our partner brands and manufacture finished beverages for other third parties, including partners and private labels. We partner with other brands seeking effective route-to-market capabilities, including national selling and distribution scale. These brands can also give us exposure in certain markets to fast growing segments of the beverage industry in a capital-efficient manner. We sell finished beverages through our DSD and our WD systems, both of which include sales to all major retail channels.

Key brands in this segment include Dr Pepper, Canada Dry, Mott's, A&W, 7UP, Snapple, Sunkist soda, Squirt, C4 Energy, Hawaiian Punch, Electrolit, Core Hydration, Bai, Evian, Clamato, Yoo-Hoo, Vita Coco, and Big Red.

U.S. Coffee

Our U.S. Coffee segment is primarily a brand owner, manufacturer, and distributor of innovative single serve brewers, specialty coffee (including hot and iced varieties), and RTD coffee in the U.S. Our Keurig single serve brewers are aimed at changing the way consumers prepare and enjoy coffee and other beverages both at home and away from home in places such as offices, hotels, restaurants, cafeterias, and convenience stores. We create value by developing and selling our Keurig single serve brewers and by expanding Keurig brewer household adoption, which enables sales of specialty coffee and a variety of other specialty beverages in K-Cup pods (including hot and iced teas, hot cocoa, and other beverages) for use with Keurig brewers. We also compete in the broader coffee category through traditional whole bean and ground coffee in other package types, including bags, fractional packages, and cans, as well as RTD coffee beverages. We, together with our partners, are able to bring consumers high-quality coffee and other beverage experiences from the brands they love, all through the one-touch simplicity and convenience of Keurig brewers.

We manufacture and sell 100% of the K-Cup pods of our owned and licensed brands, including Green Mountain Coffee Roasters, The Original Donut Shop, and McCafé, to retailers, away from home channel participants, and end-use consumers. We manufacture K-Cup pods for our partner brands, who in turn sell them to retailers and consumers. Our partner brands include Starbucks, Dunkin', Folgers, and Peet's, among others. We have agreements for manufacturing, distributing, and selling K-Cup pods for tea under brands such as Celestial Seasonings and Bigelow. We produce and sell K-Cup pods for cocoa, including through a licensing agreement for the Swiss Miss brand, and hot apple cider, including under our own brand, Mott's. Generally, we are able to sell these partner brands to our away from home channel participants and directly to consumers through our website at www.keurig.com. We also participate in private label manufacturing arrangements.

Our U.S. Coffee segment manufactures K-Cup pods using freshly roasted and ground coffee as well as tea, cocoa, and other products. We offer high-quality, responsibly sourced coffee, including certified single-origin, organic, flavored, limited edition, and proprietary blends. We carefully select our coffee beans and roast them to optimize their taste and flavor differences. We engineer and design most of our single serve brewers and utilize third-party contract manufacturers located in various countries in Asia for brewer appliance manufacturing. We distribute our brewers using third-party distributors, retail partners and directly to consumers through our website at www.keurig.com.

International

Our International segment includes:

- Sales in Canada, Mexico, and other international markets from the manufacture and distribution of branded concentrates, syrup, and finished beverages, including sales of our own brands and third-party brands, to third-party bottlers, distributors, and retailers. Key beverage brands include Peñafiel, Clamato, Squirt, Canada Dry, Dr Pepper, Mott's, and Crush.
- Sales in Canada from the manufacture and distribution of finished goods relating to our single serve brewers, K-Cup pods, and other coffee products to partners and retailers, as well as directly to consumer through our website at www.keurig.ca. Key K-Cup pod brands include McCafé, Tim Hortons, and Van Houtte, as well as other partner and private label brands.

Product Innovation and New Partnerships

We are focused on a robust innovation pipeline within our portfolio of products to build household penetration of our business. We regularly launch new brewers with new features and benefits, technological advances, sustainable attributes, and changes in aesthetics to provide a variety of options to suit individual consumer preferences. We also continuously innovate and renovate our portfolio of K-Cup pods and beverages to provide an expansive array of flavors.

Effective December 31, 2024, we acquired a controlling interest in GHOST. Founded in 2016, GHOST is a lifestyle sports nutrition business with a portfolio anchored by GHOST Energy, a leading ready-to-drink energy brand. We initially purchased a 60% stake in GHOST, and we also entered into an agreement which requires us to buy the remaining 40% of GHOST in 2028.

During 2024, we launched our Keurig K-Brew+Chill brewer that features Quick Chill Technology which delivers iced beverages at temperatures below 60 degrees straight from the brewer, as well as the ability to brew hot beverages. In addition, we announced our multi-year innovation agenda with the Keurig Alta brewer and K-Rounds plastic- and aluminum-free pods.

We debuted Canada Dry Fruit Splash, which partners classic ginger ale with cherry flavors and a splash of real fruit juice, as well as a limited edition offering of Dr Pepper Creamy Coconut. We launched Mott's Active, a hydrating juice beverage for kids with naturally sourced electrolytes, no added sugar, and no artificial flavors, in Blastin' Berry and Watermelon Burst.

We entered into new partnerships with The Brooklyn Roasting Company, Kahawa 1893, Killah Coffee, and Punk Bunny Coffee, among others, to provide their signature coffee blends in K-Cup pod format.

We expanded our partnership with Black Rifle Coffee Company to include a sales and distribution agreement for Black Rifle Energy. We also entered into an agreement with Nutrabolt to distribute Bloom RTD energy beverages. We began distributing under both of these agreements during the fourth quarter of 2024.

CUSTOMERS

We primarily serve the following types of customers:

Retailers

Retailers include supermarkets, hypermarkets, mass merchandisers, club stores, e-commerce retailers, office superstores, vending machines, fountains, grocery and drug stores, convenience stores, and other small outlets. Retailers purchase finished beverages, K-Cup pods, appliances, and accessories directly from us. Our portfolio of strong brands, operational scale and experience in the beverage industry has enabled us to maintain strong relationships with major retailers throughout the U.S., Canada, and Mexico. Our largest retailer, Walmart, represented approximately 16% of our consolidated net sales in 2024. Net sales to Walmart are included in all reportable segments.

Bottlers and Distributors

In the U.S. and Canada, we generally grant manufacturing and distribution licenses for our carbonated soft drinks to bottlers for specific geographic areas that are typically exclusive and long-term. These bottlers may be affiliated with Coca-Cola or with PepsiCo, or they may be independent. These agreements prohibit bottlers and distributors from selling the licensed products outside their exclusive territory and from selling any imitative products in that territory. Generally, we may terminate bottling and distribution agreements only for cause or change in control, and the bottler or distributor may terminate without cause upon giving certain specified notice and complying with other applicable conditions. These bottlers and distributor agreements may also contain provisions for fountain distribution rights, which are not exclusive for a territory, but generally do restrict bottlers from carrying imitative product in the territory.

Certain other brands, such as Snapple, Bai, and Core, are licensed for distribution in various territories to bottlers and a number of smaller distributors such as beer wholesalers, wine and spirit distributors, independent distributors, and retail brokers.

Partners

We have differentiated ourselves and the Keurig brand through our ability to create and sustain partnerships with other leading coffee, tea, and beverage brand companies through multi-year licensing and manufacturing agreements that best suit each brand's interests and strengths. Typically, we manufacture K-Cup pods on behalf of our partners, who in turn sell them to retailers.

Away from Home Channel Participants

We distribute brewers, accessories, and K-Cup pods (owned, licensed, and partner brands) to away from home channel participants, which include office coffee distributors and hotel chains.

End-use Consumers

We have robust e-commerce platforms at www.keurig.com and www.keurig.ca where end-use consumers can purchase brewers, accessories, K-Cup pods, and other coffee products, such as bagged traditional coffee and cold brew.

COMPETITORS

The beverage industry is highly competitive and continues to evolve in response to changing consumer preferences. Competition is generally based on brand recognition, taste, quality, price, availability, selection, and convenience, among other factors. We compete with multinational corporations with significant financial resources. In our bottling and manufacturing operations, we also compete with a number of smaller bottlers and distributors and a variety of smaller, regional, and private label manufacturers.

Our primary competitors include Coca-Cola, PepsiCo, Starbucks Corporation, The J.M. Smucker Company, The Kraft Heinz Company, and Nestlé S.A. Although these companies offer competing brands in categories we participate in, many are also our partners or customers, as they purchase beverage concentrates or K-Cup pods directly from us.

MATERIAL RESOURCES

Raw Materials

The principal raw materials we use in our business, which we commonly refer to as ingredients and materials, represent approximately 55% of our cost of sales and include green coffee, water, aluminum cans and ends, PET bottles and caps, including both virgin and rPET, CO₂, sweeteners, paper products, K-Cup pod packaging materials, fruit, glass bottles and enclosures, cocoa, teas, juices, and other ingredients. We also use post-consumer recycled materials in the manufacturing of our single serve brewers.

The availability, quality, and costs of many of these materials have fluctuated, and may continue to fluctuate, over time. Additionally, under many of our supply arrangements for these raw materials, the price we pay fluctuates along with certain changes in indirect commodity costs, such as aluminum in the case of cans and ends, natural gas in the case of glass bottles, resin in the case of K-Cup pods, PET bottles and caps, corn in the case of sweeteners, and pulp in the case of paperboard packaging.

When appropriate, we mitigate the exposure to volatility in the prices of certain commodities used in our production process and transportation to our customers through the use of various commodity derivative contracts or supplier pricing agreements. The intent of the contracts and agreements is to provide a certain level of predictability in our operating margins and our overall cost structure, while remaining in what we believe to be a competitive cost position.

Green Coffee

We develop and pursue direct relationships with farms, estates, cooperatives, cooperative groups, and exporters in order to purchase green coffee and to support our broader traceability and sustainable supply chain initiatives. We also purchase green coffee through outside brokers.

Energy and Transportation Costs

In addition to ingredients and packaging costs, we are significantly impacted by changes in fuel costs, which can also fluctuate substantially, due to the large truck fleet we operate in our distribution operations (reflected within SG&A expenses) and the energy costs consumed in the production process (reflected within cost of sales).

We are also significantly impacted by changes in other transportation costs, such as ocean freight and tariffs. Transportation costs associated with the transportation and import of certain raw materials and finished goods to our manufacturing and distribution facilities are reflected within cost of sales.

Intellectual Property

Trademarks and Patents

We possess a variety of intellectual property rights that are important to our business. We rely on a combination of trademarks, copyrights, patents, and trade secrets to safeguard our proprietary rights, including our brands, our technologies, and ingredient and production formulas for our products.

We own numerous trademarks in our portfolio within the U.S., Canada, Mexico, and other countries. Depending upon the jurisdiction, trademarks are valid as long as they are in use and/or their registrations are properly maintained.

In many countries outside the U.S., Canada, and Mexico, the manufacturing and distribution rights to many of our CSD brands, including our Dr Pepper trademark and formula, are owned by third parties, including, in certain cases, competitors such as Coca-Cola.

We hold U.S. and international patents related to Keurig brewers and coffee pod technology. Of these, a majority are utility patents and the remainder are design patents. We view these patents as valuable assets but we do not view any single patent as critical to our success. We also have pending patent applications associated with our brewers and with coffee pod technology. We take steps that we believe are appropriate to protect such innovation.

Licensing Arrangements

We license various trade names from our partners in order to manufacture and distribute K-Cup pods. Although these licenses vary in length and other terms, they generally are long-term, cover the entire U.S. and/or Canada, and may include royalty payments, upfront payments, or some combination of the two, to the partner in order to use their trade names to manufacture and/or distribute the K-Cup pods.

We license various trademarks from third parties, which generally allow us to manufacture and distribute certain products or brands throughout the U.S. and/or Canada and Mexico. For example, we license trademarks for Sunkist soda and Rose's from third parties. Although these licenses vary in length and other terms, they generally are long-term, cover the entire U.S. and/or Canada and Mexico and generally include a royalty payment to the licensor.

For beverages in emerging and fast growing categories where we may not currently have a brand presence, we license various trademarks from third party partners, which generally allow us to sell and distribute certain products or brands throughout the U.S., Canada, or Mexico. These partners view us as a distributor with strong route-to-market resources to grow their brands. Although these licenses vary in length and other terms, they generally are long-term and require a payment from the partner if the licensing agreement is terminated. In some instances, we make investments in these companies, which may include a path to acquire the company. As of December 31, 2024, our portfolio of partner brands included, but was not limited to, C4 energy drinks, Electrolit instant hydration beverages, evian water, Vita Coco coconut water, Polar Beverages seltzer water, La Colombe shelf-stable RTD coffee, Black Rifle Coffee Company energy drinks, and Peet's RTD coffee.

SEASONALITY

The beverage market is subject to some seasonal variations. Our cold beverage sales are generally higher during the warmer months, while hot beverage sales are generally higher during the cooler months. Overall beverage sales can also be influenced by the timing of holidays and weather fluctuations. Sales of brewers and related accessories are generally higher during the second half of the year due to the holiday shopping season.

HUMAN CAPITAL RESOURCES

Our Employees

We have approximately 29,400 employees, primarily located in North America. In the U.S., we have approximately 22,400 employees, of which approximately 5,100 employees are covered by union collective bargaining agreements. In Mexico, we have approximately 5,300 employees, of which approximately 4,000 are covered by union collective bargaining agreements. In Canada, we have approximately 1,400 employees, with approximately 400 covered by union collective bargaining agreements. We also have approximately 300 employees in Europe and Asia.

Our collective bargaining agreements generally address working conditions, as well as wage rates and benefits, and expire over varying terms over the next several years. We generally believe that these agreements can be renegotiated on terms satisfactory to us as they expire and that we have good relationships with our employees and any representative organizations for our unionized employees.

Our compensation programs are designed to ensure that we attract and retain the right talent. We generally review and consider median market pay levels when assessing total compensation, but pay decisions are based on a more comprehensive set of considerations such as company performance, individual performance, experience, and internal equity. We continually monitor key talent metrics including employee engagement and employee turnover.

Our employee benefits programs strive to deliver competitive benefits that are effective in attracting and retaining talent, and that create a culture of well-being and inclusiveness, designed to support each team member's unique needs. Our total package of benefits is designed to support the physical, mental, and financial health of our employees, and we currently provide access to medical, dental, vision, life insurance, retirement benefits, and disability benefits, as well as assistance with major life activities such as adoption, childbirth, and eldercare, among other benefits.

Our Culture

Together with our employees, we created a set of core values that define how we work together and are the cornerstone of KDP's culture. We embrace a challenger mindset, which, together with our strategy and core values, are the unifying force for our team and guide our actions, each and every day. Our four core values are:

- **Team First.** Win together. Be the kind of person you want on your team.
- **Deliver Big.** Achieve our commitments. Then push beyond the expected.
- **Think Bold.** Challenge the usual. Dare to try something new.
- **Be Fearless and Fair.** Tell the truth with courage. Listen and act with respect.

Additionally, we have adopted a corporate code of conduct that applies to all of our employees, officers, and our Board, which lays the foundation for ethical behavior for our team. Our code of conduct is available on our website at <http://www.keurigdrpepper.com>.

Just as each of our brands brings its own personality to our product portfolio, each of our employees brings their own unique set of experiences, perspectives, and flavor to our business. We believe that to best innovate and deliver for our consumers and customers, our workforce should represent them.

Employee Health and Safety

KDP uses a wide variety of strategies and programs to support the health and safety of our employees. Our Environmental Health & Safety team considers all aspects of what our employees may encounter and works to minimize risk. Key to these efforts are data and preventive actions. KDP measures Lost Time Incident Rate, a reliable indication of Total Recordable Injuries Rate severity, and uses a risk reduction process that thoroughly analyzes injuries and near misses.

OUR IMPACT

As a leading beverage company, we have the opportunity and responsibility to make a positive impact for people, communities, and planet. *KDP Impact* is our multi-year environmental, social, and governance agenda comprised of strategic initiatives that aim to make a positive impact with every drink. Rooted in action, realized through partnerships, and measured in results, we focus our commitments in the seven key impact areas where we can create meaningful change. These seven key impact areas are as follows:

- Climate and nature action
- Water use and stewardship
- Packaging and circular economy
- Human rights, responsible sourcing, and supply chain livelihoods
- Consumer health and well-being
- Employee health, safety, and well-being; and
- Corporate governance and ethics.

We are committed to transparency and disclosure of our strategies, programs, progress, and governance. Our report on our impact, which is issued annually, is available on our website at www.keurigdrpepper.com.

GOVERNMENTAL REGULATIONS ON OUR BUSINESS

In the normal course of our business, we are subject to a variety of federal, state, and local laws and regulations in the countries in which we do business. Regulations in the U.S., as well as jurisdictions including Canada, Mexico, and the European Union, apply to many aspects of our business, including our products and their ingredients, manufacturing, safety, labeling, transportation, packaging, advertising, and sale. For example, our products and their manufacturing, labeling, marketing, and sale in the U.S. are subject to various aspects of the Federal Food, Drug, and Cosmetic Act, the Federal Trade Commission Act, the Robinson-Patman Act, the Clayton Act, the Sherman Act, the Lanham Act, state consumer protection laws, and state warning and labeling laws, such as the state of California's Safe Drinking Water and Toxic Enforcement Act of 1986.

Various countries, states, provinces, and other authorities have enacted eco-taxes, extended producer responsibility laws, deposit or reuse/refill mandates, fees on certain products or packaging, restrictions or bans on the use of certain types of packaging, including single-use plastics, and regulations on PFAS, and other chemicals of concern. Regulators have also expressed concerns about the processing and use of particular ingredients or additives in beverage products. Various jurisdictions have adopted, and others may seek to adopt, bans or restrictions on the use of certain ingredients or substances in products or packaging, as well as significant additional product labeling or warning requirements or limitations on the marketing or sale of our products because of what they contain or allegations that they cause adverse health effects. Certain cities and municipalities within the U.S. have passed various taxes on the distribution of sugar-sweetened and diet beverages, which are at different stages of enactment. We expect that legislation or regulations like those described above will continue to be proposed in the future at local, state and federal levels, both in the U.S. and elsewhere.

OTHER INFORMATION

We are required to file annual, quarterly, and current reports, proxy statements and other information with the SEC. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to the Exchange Act, are also available free of charge on our website at <http://www.keurigdrpepper.com> as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Information on any of our websites is not incorporated by reference in this document or any of our other filings with the SEC.

MARKET AND INDUSTRY DATA

The market and industry data in this Annual Report on Form 10-K is from Circana, an independent industry source, and is based on retail dollar sales and sales volumes in 2024. Although we believe that this independent source is reliable, we have not verified the accuracy or completeness of this data or any assumptions underlying such data. Circana is a market information provider, primarily serving consumer packaged goods manufacturers and retailers. We use Circana data as our primary management tool to track market performance because it has broad and deep data coverage, is based on consumer transactions at retailers, and is reported to us weekly. Circana data provides measurement and analysis of marketplace trends such as market share, retail pricing, promotional activity, and distribution across various channels, retailers, and geographies. Measured categories provided to us by Circana include K-Cup pods, carbonated soft drinks, RTD teas and coffee, single serve and multi-serve juice and juice drinks, sports drinks, energy drinks, still waters, carbonated waters, and non-alcoholic mixers. Circana also provides data on other food items such as apple sauce. Circana data we present in this report is compiled from scanner transactions in key retail channels, including grocery stores, mass merchandisers (including Walmart), club stores (excluding Costco), drug chains, convenience stores, and gas stations. However, this data does not include the fountain or vending channels, or small independent retail outlets, which together represent a meaningful portion of the U.S. beverage market. This data does not include certain customers and e-commerce sales which represents a significant portion of our U.S. Coffee segment. Our market share data for our brewers is also based on information provided by Circana. The data presented for our brewers is based upon Circana's Consumer Tracking Service for Coffeemakers in the U.S. and represents the twelve month period ended December 31, 2024.

ITEM 1A. RISK FACTORS

RISKS RELATED TO OUR OPERATIONS

Disruption of our manufacturing and distribution operations or supply chain, including increased commodity, raw material, packaging, energy, transportation, and other input costs may adversely affect our financial condition or results of operations.

We have experienced, and could continue to experience, disruptions in our supply chain and our manufacturing and distribution operations, which could have a material adverse effect on our business. Some raw materials and supplies used in the production of our products, including packaging materials, are available from a limited number of suppliers or from a sole supplier or are in short supply when seasonal demand is at its peak. Certain raw materials and supplies used directly or indirectly in the production of our products are sourced from countries experiencing civil unrest, political instability, or unfavorable economic conditions. Adverse weather conditions may affect the supply of agricultural commodities from which key ingredients for our products are derived. We may not be able to maintain favorable arrangements and relationships with suppliers, and our contingency plans may not be effective to mitigate disruptions that may arise from shortages or discontinuation of any raw materials and other supplies that we use in the manufacture and distribution of our products. In order to ensure a continuous supply of high-quality raw materials, some of our inventory purchase obligations include long-term purchase commitments for certain strategic raw materials; the timing of these may not always coincide with the period in which we need the supplies to fulfill customer demand. Any sustained or significant disruption to the manufacturing or sourcing of raw materials could increase our costs and interrupt product supply, which could adversely impact our business.

The raw materials and other supplies, including agricultural commodities (such as coffee, apples, and corn), fuel and packaging materials, transportation, and other supply chain inputs that we use for the manufacturing, production, and distribution of our products are subject to price volatility and fluctuations in availability caused by many factors, which include changes in supply and demand; supplier capacity constraints; inflation; weather conditions (including the effects of climate change); wildfires and other natural disasters; disease or pests; agricultural uncertainty; cost increases in farm inputs; health epidemics, pandemics, or other contagious outbreaks; labor shortages, strikes, or work stoppages; changes in or the enactment of new laws and regulations; governmental actions or controls (including import/export restrictions, such as new, increased, or retaliatory tariffs, sanctions, quotas, or trade barriers); port congestion or delays; transport capacity constraints; cybersecurity incidents or other disruptions; political uncertainties; acts of terrorism; governmental instability; speculation in global trading of commodities, such as coffee; or fluctuations in foreign currency exchange rates. We have been affected by a number of these factors, led by inflationary pressures on input and other costs, which may continue.

Many of our raw materials and supplies are purchased in the open market, and the prices we pay for such items are subject to fluctuation. Under many of our supply arrangements, the price we pay for raw materials fluctuates along with certain changes in underlying commodities costs. This could lead to higher and more variable inventory levels or higher raw material costs for us. In our coffee business, the quality of the coffee we seek tends to trade on a negotiated basis at a premium above the “C” price of coffee. This premium depends upon the supply and demand at the time of purchase, and the amount of the premium can vary significantly. Volatility in coffee prices can impact our ability to enter into fixed-price purchase commitments, and we frequently enter into “price-to-be-fixed” supply contracts in which the quality, quantity, delivery period, and other negotiated terms are agreed upon, but the date, and therefore price, at which the base coffee commodity price component will be fixed has not yet been established.

When input prices increase unexpectedly or significantly, we may be unwilling or unable to increase our product prices or unable to effectively hedge against price increases to offset these increased costs without suffering reduced volume, revenue, margins, and operating results. To the extent that price increases are not sufficient to offset higher costs adequately or in a timely manner, or if they result in significant decreases in sales volume, our financial condition or results of operations may be adversely affected. In addition, price decreases in commodities that we have effectively hedged could also increase our cost of goods sold for mark-to-market changes in the derivative instruments.

We operate in intensely competitive categories, and our potential inability to compete effectively could adversely impact our business.

The beverage industry is highly competitive and continues to evolve in response to changing consumer preferences. We compete with multinational corporations that can rapidly respond to competitive pressures and changes in consumer preferences by introducing new products, changing their route to market, reducing prices, or increasing promotional activities. We also compete with various smaller or regional companies and private label manufacturers, which may be more innovative, better able to bring new products to market, and better able to quickly serve niche markets. Additionally, we compete for contract manufacturing with other bottlers and manufacturers.

A significant portion of our business is attributable to sales of K-Cup pods for use with Keurig brewing systems. Continued acceptance of Keurig brewers to further increase household penetration is a significant factor in our growth plans. Any substantial or sustained decline in the sale of Keurig brewers could materially and adversely affect our business. Keurig brewers compete against all sellers and types of coffeemakers, as well as cafes and coffee shops. Our competitive position may be weakened if we do not succeed in differentiating Keurig brewers from our competitors' products.

Our sales of beverages, Keurig brewers, K-Cup pods, and other products may be negatively affected by numerous factors including our inability to maintain or increase prices, our inability to effectively promote our products, new entrants into the market, the decision of wholesalers, retailers, or consumers to purchase competitors' products instead of ours, increased marketing costs, and higher in-store placement and slotting fees driven by our competitors' willingness to spend aggressively. In addition, the rapid growth of e-commerce may create additional consumer price deflation by, among other things, facilitating comparison shopping, and could potentially threaten the value of some of our legacy route-to-market strategies and thus negatively affect revenues. If we are unable to effectively compete, our business and our financial results would be negatively affected.

We may not effectively respond to changing consumer preferences and shopping behavior, which could impact our financial results.

Consumers' preferences continually evolve due to a variety of factors, including changing demographics of the population, social trends, changes in consumer lifestyles and consumption patterns, including from the use of weight loss drugs, concerns or perceptions regarding the health effects or environmental impact of our products or packaging, concerns regarding the location of origin or source of ingredients and products, changes in consumers' spending habits, negative publicity, economic downturn, or other factors. If we do not effectively anticipate and respond to changing trends and consumer beverage preferences, including through innovation and renovation, our sales and growth could suffer.

Addressing changes in consumer preferences may require successful development, introduction, and marketing of new products and line extensions. There are inherent risks associated with new product or packaging innovation, including uncertainties about trade and consumer acceptance or potential impacts on our existing product offerings. Successful innovation may depend on our ability to obtain, protect, and maintain necessary intellectual property rights and to avoid infringing upon the intellectual property rights of others. Failure to innovate successfully could compromise our competitive position and impact our product sales, financial condition, and operating results.

Consumers are increasingly focused on sustainability, with particular attention to the recyclability or reuse of product packaging, reducing consumption of single-use plastics and non-recyclable materials and the environmental impact of manufacturing operations. If we do not meet consumer demands by continuing to provide sustainable packaging options and focusing on sustainability throughout our manufacturing operations, our sales could suffer.

Consumer shopping behavior is also rapidly evolving. Changes in mobility, travel, and leisure activity patterns, the acceleration of e-commerce and other methods of purchasing products, inflation and economic uncertainty, and pandemics, epidemics or other disease outbreaks, among others, have impacted and could continue to impact consumer shopping behavior and demand for our products. If we are unable to meet the consumer where and when they desire their products or if we are unable to respond to changes in distribution channels, our financial results could be adversely impacted.

Concerns about the safety, quality, or health effects of our products could negatively affect our business.

The success of our business depends in part on our ability to maintain consumer confidence in the safety and quality of all of our products, including beverage products, their ingredients, their packaging, and our brewers. A failure or perceived failure to meet our quality, health, or safety standards, particularly as we expand our product offerings through innovation, partnerships or acquisitions into new beverage categories, including product contamination or tampering, undeclared allergens or allegations of mislabeling, whether actual or perceived, could occur in our operations or those of our bottlers, manufacturers, distributors or suppliers. This could result in time-consuming and expensive production interruptions, recalls, market withdrawals, product liability claims, and negative publicity. It could also result in the destruction of product inventory, lost sales due to the unavailability of product for a period of time, fines from applicable regulatory agencies, and higher-than-anticipated rates of warranty returns and other returns of goods. Moreover, negative publicity may result from false, unfounded, or nominal liability claims or limited recalls.

In addition, adverse public opinion, third-party studies, or other allegations, whether or not valid, regarding the perceived or potential negative health effects of processing or ingredients in our beverage products, such as concerns about the caloric intake associated with soft drinks or the use of synthetic colors, nutritive and non-nutritive sweeteners or other additives in our beverages, or chemicals of concern or other substances in our ingredients or materials, may contribute to actual or threatened legal action against us, negative consumer perception of our products, new or increased taxes on our products, or additional government regulation, including new or changing restrictions on the inclusion of our products in benefit programs, such as the U.S. supplemental nutrition assistance program known as SNAP, any of which could result in decreased demand for our products or reformulations of existing products to remove such ingredients or substances, which may be costly and reduce their appeal. Such risks may be increased if government officials make public statements about alleged risks purportedly associated with processing, particular ingredients used in our products, or unintentional contaminants that may be present in the water supply.

Any or all of these events may lead to a loss of consumer confidence and trust, could damage the reputation of our brands and may cause consumers to choose other products and could negatively affect our business and financial performance.

Damage to our reputation or brand image can adversely affect our business.

Our ability to maintain our reputation and the brand image of our products is important to our success. Our corporate image and reputation has in the past been, and could in the future be, adversely impacted by a variety of factors, including: any failure by us or our business partners to achieve goals or maintain high standards relating to ethical and business practices, including with respect to human rights, child labor laws, workplace conditions, employee health and safety, the nutrition profile of our products, packaging, water use and impact on the environment; any failure to address health or other concerns about our products, products we distribute or particular ingredients in our products, including concerns regarding whether certain of our products contribute to obesity or an increase in public health costs; our research and development efforts; any product quality or safety issues, including the recall of any of our products; any failure to comply with laws and regulations; consumer perception of our advertising campaigns, sponsorship arrangements, marketing programs, use of social media and our response to political and social issues or catastrophic events; or any failure to effectively respond to negative or inaccurate comments about us on social media or otherwise regarding any of the foregoing. Damage to our reputation or brand image could decrease demand for our products, thereby adversely affecting our business.

If we do not successfully manage our acquisitions of and investments in new businesses or brands, our operating results may adversely be affected.

From time to time, we acquire or invest in businesses or brands, form joint ventures, and enter into licensing and distribution agreements. If we are unable to complete such transactions or successfully integrate and develop acquired businesses, including the effective management of integration activities, we could fail to achieve the expected increases in revenues and operating results or the anticipated synergies and cost savings. Additional acquisition risks include the diversion of management attention from our existing business, potential loss of key employees, suppliers, or customers from the acquired business, assumption of unforeseen risks and liabilities, and greater than anticipated operating costs of the acquired business. Any of these factors could adversely affect our financial results. Our quality management protocols, which are designed to ensure product quality and safety, may not be sufficiently robust to fully manage the expanded range of product offerings introduced through new investments, licensing or distribution agreements, which may increase our costs or subject us to negative publicity. In addition, we may also experience delays in extending our respective internal control over financial reporting to new acquisitions or investments, which may increase the risk of misstatements in our financial records and in our consolidated financial statements.

In evaluating strategic transactions, we are required to make difficult judgments regarding the value of business strategies, opportunities, technologies and other assets, and the risks and cost of potential liabilities. In the past we have been, and in the future we may be, unable to realize the expected benefits of acquisitions, investments or licensing or distribution agreements; it may also take longer than expected to realize the expected benefits. Our ability to manage and improve the performance of acquired businesses or brands and our other investments and ventures will impact our financial performance. We may not achieve the strategic and financial objectives for such transactions. If we are unable to achieve such objectives, our consolidated results could be negatively affected.

Failure to realize benefits or successfully manage the potential negative consequences of our productivity initiatives can adversely affect our financial performance.

We pursue strategic initiatives that are transformative in nature and are expected to generate significant cost savings, or productivity, over time. These strategic initiatives have included investments in new technologies and optimization of certain processes and of our manufacturing footprint. Some of our productivity initiatives may result in unintended consequences, such as business disruptions, distraction of management and employees, reduced morale and productivity, inability to obtain expected savings to reinvest into the business, an inability to attract or retain employees, negative publicity and disruption of the internal control structures of the affected business operations. If we are unable to successfully implement our productivity initiatives as planned or do not achieve expected savings as a result of these initiatives, we may not realize all or any of the anticipated benefits, resulting in adverse effects on our financial performance.

Our facilities and operations may require substantial investment and upgrading, including investments in new technologies and digital transformation, and such investments may not achieve the intended financial benefits.

We continue to incur significant costs to maintain or upgrade various technologies, facilities, and equipment or restructure our operations, including closing existing facilities or opening new ones. We invest in new and emerging technologies, including the use of automation, connected data, robotics, and artificial intelligence throughout our operations, including in our manufacturing and distribution facilities and our sales organization.

If the cost of our investments is higher than anticipated, the investments and upgrades are not sufficient to meet our near-term future business needs, our business does not develop as anticipated to appropriately utilize new or upgraded facilities, or third parties fail to complete the construction or renovation of facilities or production equipment in a timely manner or in accordance with our specifications, we may be delayed in realizing the intended benefits or our costs and financial performance could be negatively affected.

We have ongoing programs to invest and upgrade our manufacturing, distribution and other facilities, including expansive investments in our manufacturing facility in Spartanburg, South Carolina. These investments require us to rely on third parties for the construction and renovation of our facilities and manufacturing of our production equipment. We have experienced delays related to the production equipment contained within our manufacturing facilities, including delays in receiving the equipment or in operating the equipment according to specifications outlined by the manufacturer, which have led to increased costs, and we may continue to experience such delays and cost increases.

We depend on key information systems, and our use of information technology exposes us to business disruptions that could adversely affect us.

Our information systems contain proprietary and other confidential information related to our business. These systems and services are vulnerable to interruptions or other failures resulting from, among other things, natural disasters, terrorist attacks, software, equipment or telecommunications failures, processing errors, computer viruses, other security issues or supplier defaults. Security, backup and disaster recovery measures may not be adequate or implemented properly to avoid such disruptions or failures. Any disruption or failure of these systems or services could cause substantial errors, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of customers or other business disruptions, all of which could negatively affect our business and financial performance. Our users' data and customer information may be improperly accessed, used or disclosed if we fail to adopt or adhere to adequate information security practices, or fail to comply with their respective online policies, or in the event of a breach of our networks, which could subject us to legal action, reputational harm, or otherwise negatively impact our business and financial performance.

Substantial disruption at our manufacturing and distribution facilities could occur.

A disruption at our manufacturing and distribution facilities could have a material adverse effect on our business, as could a disruption at the facilities of our bottlers, contract manufacturers or distributors. Disruptions could occur for many reasons, including fire, natural disasters, weather, water scarcity, manufacturing problems, disease, widespread illness, strikes, labor shortages, transportation or supply interruption, contractual dispute, government regulation, cybersecurity attacks or terrorism. Moreover, if demand increases beyond our production capabilities, we would need to expand our capabilities internally or acquire additional capacity. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more than existing facilities or may take a significant time to start production, each of which could negatively affect our business and financial performance.

Our intellectual property rights could be infringed or we could infringe the intellectual property rights of others, and adverse events regarding licensed intellectual property could harm our business.

We possess intellectual property that is important to our business. This intellectual property includes ingredient formulas, trademarks, copyrights, patents, business processes and other trade secrets. We cannot be certain that the legal steps taken to protect our rights will be sufficient or that others will not infringe or misappropriate our rights. If we fail to adequately protect our intellectual property rights, or if changes in laws diminish or remove the current legal protections available to them, the competitiveness of our products may be eroded and our business could suffer. We and third parties, including competitors, could come into conflict over intellectual property rights, resulting in disruptive and expensive litigation. If we are unable to protect our intellectual property rights, our brands, products and business could be harmed.

We also license various intellectual property rights from third parties and license certain intellectual property rights to third parties. In some countries, third parties own certain intellectual property that we own in other countries. For example, the Dr Pepper trademark and formula is owned by Coca-Cola in some countries outside North America. Adverse events affecting those third parties or their products could also negatively impact our brands.

Failure to attract, retain, develop and motivate a highly skilled and diverse workforce, or failure to effectively manage changes in our workforce such as labor shortages, employee turnover and increases in wages, could significantly impact our operations.

The labor market has experienced and may continue to experience labor shortages, inflation in labor costs and increased employee turnover, which has impacted and may continue to impact our ability to attract and retain a highly skilled and diverse workforce. Competition in the labor market for qualified employees has increased alongside current and prospective employees' changing expectations for compensation, benefits, and flexible work models. Unplanned turnover or failure to develop and implement succession plans for senior management and other key personnel could deplete our institutional knowledge base and erode our competitiveness. Failure to attract, retain, develop, and motivate a highly skilled and diverse workforce, including employees with specialized capabilities, can damage our business results and our reputation.

We may not be able to renew collective bargaining agreements on satisfactory terms, or we could experience union activity, including new unionization, labor disputes or work stoppages.

Many of our employees that are involved in the manufacturing or distribution of our products are covered by collective bargaining agreements. Additional employees have sought and may continue to seek to be covered by collective bargaining agreements, which may be facilitated by changing labor laws and regulations. These agreements typically expire every three to four years at various dates. We may not be able to renew our existing collective bargaining agreements on satisfactory terms or at all. This could result in labor disputes, strikes, or work stoppages, which could impair our ability to manufacture and distribute our products and result in a substantial loss of sales. The terms of existing, renewed or expanded agreements could also significantly increase our costs or negatively affect our ability to increase operational efficiency.

Increases in our cost of employee benefits in the future could reduce our profitability.

Our profitability is substantially affected by costs for employee health care, pension and other retirement programs and other benefits. In recent years, these costs have increased significantly due to factors such as increases in health care costs, declines in investment returns on pension assets, and changes in discount rates used to calculate pension and related liabilities. These factors will continue to put pressure on our business and financial performance. There can be no assurance that we will succeed in limiting future cost increases, and continued upward cost pressure could have a material adverse effect on our business and financial performance.

RISKS RELATED TO OUR FINANCIAL PERFORMANCE

We negotiate with our suppliers to optimize our terms and conditions, including payment terms, and reductions in our payment terms with our suppliers could adversely affect our liquidity.

We negotiate with our suppliers to optimize our terms and conditions, which includes the consideration of payment terms. Excluding our suppliers who require cash at date of purchase or sale, our current payment terms with our suppliers generally range from 10 to 360 days. The length of our payment terms has been reduced in recent periods and will continue to be reduced, including as a result of a supplier being replaced, renegotiation of a supplier's contract during the procurement process, through efforts to increase the overall pool of potential suppliers for selection, or in order to receive favorable pricing or other terms during commercial negotiations. Reductions in our payment terms have negatively affected, and could continue to negatively affect, our liquidity and our ability to maintain our cash conversion cycle to maximize our working capital. Reduced payment terms have contributed to, and could continue to contribute to, our need to utilize various financing arrangements for short-term liquidity.

We cannot guarantee that our share repurchase program will be fully consummated or that our share repurchase program will enhance long-term stockholder value.

In October 2021, our Board authorized KDP to repurchase up to \$4 billion of our outstanding common stock over a four-year period, beginning on January 1, 2022, potentially enabling us to return value to shareholders. Our repurchase program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares. Under the terms of our share repurchase program, shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions, or by other means (including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act) in accordance with federal securities laws. We may fund our share repurchases through cash flow from operations, borrowings, a combination of the two, or other sources of liquidity. The actual manner, timing, amount, value and counterparties of any repurchases under the program will be determined at our discretion and will depend on a number of factors, including the market price of our common stock, trading volume, other capital management objectives and opportunities, applicable legal requirements, applicable tax effects, and general market and economic conditions.

We cannot guarantee that we will repurchase shares (or the terms or amount of any such repurchase) or conduct future share repurchase programs, and we cannot guarantee that any such programs will result in long-term increases to shareholder value. The existence of our stock repurchase program could also cause the price of our common stock to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our common stock. Additionally, significant changes in laws or regulations may reduce our ability or inclination to take advantage of our share repurchase program.

Determinations in the future that a significant impairment of the value of our goodwill and other indefinite-lived intangible assets has occurred could have a material adverse effect on our financial statements.

As of December 31, 2024, we had \$53,430 million of total assets, of which \$20,053 million were goodwill and \$23,634 million were other intangible assets. Intangible assets include both definite and indefinite-lived intangible assets in connection with brands, trade names, acquired technology, customer relationships, and contractual arrangements. We conduct impairment tests on goodwill and all indefinite-lived intangible assets annually, as of October 1, or more frequently if circumstances indicate that all or a portion of the carrying amount of an asset may not be recoverable. In addition, definite-lived intangible assets, property, plant, and equipment, and equity method investments are evaluated for impairment or accelerated depreciation as circumstances indicate.

The impairment tests require us to make an estimate of the fair value of our reporting units and other intangible assets. We have in the past recorded impairments, including during the year ended December 31, 2024, and could do so again as a result of changes in assumptions, estimates or circumstances, some of which are beyond our control. Factors which could result in an impairment include changes in our financial and operating outlook and changes in our discount rates, which could change due to factors such as movement in risk free interest rates, changes in general market interest rates and market beta volatility, and changes to management's view of forecasted risk, among others. Since a number of factors may influence determinations of fair value of intangible assets, we are unable to predict whether impairments of goodwill or other indefinite-lived intangibles will occur in the future. Any such impairment would result in us recognizing a non-cash charge in our Consolidated Statements of Income, which could adversely affect our results of operations and our effective tax rate.

RISKS RELATING TO OUR RELATIONSHIPS WITH THIRD PARTIES

We depend on third-party bottling and distribution companies for a significant portion of our business.

We license rights to third parties to bottle and distribute our products. A portion of our income from operations is generated from sales of beverage concentrates to third-party bottling companies that we do not own. Some of these bottlers are also our direct competitors, or also bottle and distribute products for our competitors. In addition, some of the finished products we manufacture are distributed by third parties. As independent companies, these bottlers and distributors may have the right to determine whether, and to what extent, they produce and distribute our products, our competitors' products and their own products. They may devote more resources to other products, prioritize their own products, or take other actions detrimental to our brands.

In most cases, they are able to terminate their bottling and distribution arrangements with us without cause. In some cases, the license agreements include buy-out rights that allow us to exit for a fee, and we may have additional limited termination rights. The termination of any material license arrangement could adversely affect our business and financial performance, and any disputes could be costly and divert management attention. We may need to increase support for our brands in certain territories to maintain our route to market and may not be able to pass price increases through to third-party bottlers and distributors. Deteriorating economic conditions could negatively impact the financial viability of third-party bottlers.

Changes in the retail landscape or in sales to any key customer can adversely affect our business.

The retail industry is experiencing continued consolidation of ownership and purchasing power, resulting in large retailers or buying groups with increased purchasing power, which impacts our ability to compete. Retailers may seek lower prices from us, may demand increased marketing or promotional expenditures in support of their businesses, and may be more likely to use their distribution networks to introduce and develop private-label brands, any of which could negatively affect our profitability. In addition, our industry is being affected by rapid growth in discount retailers and in e-commerce retailers, including traditional retailers who are expanding their e-commerce capabilities, and our business will be adversely affected if we are unable to maintain and develop successful relationships with such retailers. Further, we must maintain mutually beneficial relationships with our key customers to compete effectively. Any inability to resolve a significant dispute with any of our key customers, a change in the business condition (financial or otherwise) of any of our key customers, even if unrelated to us, a significant reduction in sales to any key customer, or the loss of any of our key customers may adversely affect our business.

Failure to maintain strategic relationships with brand owners and private label brands could adversely impact our future growth and business, potentially resulting in the termination of those agreements.

We regularly enter into strategic relationships for the manufacturing, distribution, and sale of K-Cup pods with partner customers, as well as with retailers for their private label brands. As independent companies, our strategic partners make their own business decisions which may not align with our interests. If we are unable to provide an appropriate mix of incentives to our strategic partners through a combination of premium performance and service, pricing, and marketing and advertising support, or if these strategic partners are not satisfied with our technological or other development efforts, they may take actions that adversely impact us, including entering into agreements with competing contract manufacturers or vertically integrating to manufacture their own Keurig-compatible pods. Increasing competition among Keurig-compatible pod manufacturers and moving to vertical integration may result in price compression, which could have an adverse effect on our gross margins. The loss of strategic partners could also adversely impact our future profitability and growth, awareness of Keurig brewers, our ability to attract additional brands or private label parties to do business with us or our ability to attract new consumers to buy Keurig brewers.

We also regularly enter into strategic relationships for the manufacture and/or distribution of beverage products from partner brand owners, including in emerging or fast-growing segments in which we may not currently have a brand presence. If our partner brands terminate their agreements with us, it could negatively affect our revenues and results of operations.

Equity method investments are managed independently of us and may have different interests than we do. Their decisions could impact our financial performance.

We regularly review our product portfolio and evaluate strategic transactions, such as equity method investments, generally to gain entry into categories where we do not participate or to expand our presence in areas where our participation is currently limited. The success of these transactions is dependent upon, among other things, our ability to realize the full extent of the expected returns and benefits as a result of the transaction, within the anticipated time frame, or at all. As these equity method investments are managed independently, we may be impacted by their business decisions or other actions, as they may have different interests than we do. We recognize a portion of our investees' financial results within our net income based upon our ownership interest, unless the investment agreement indicates an alternative allocation of earnings or losses.

We also assess our equity method investments as and when required by GAAP to determine whether they are impaired and, if they are, we record appropriate impairment charges. Our equity method investees also perform similar recoverability and impairment tests, and we record our share of impairment charges recorded by them, if any, adjusted, as appropriate, for the impact of items such as basis differences, deferred taxes and deferred gains. It is possible that we may be required to record significant impairment charges or our proportionate share of significant impairment charges recorded by equity method investees in the future and, if we do so, our net income could be materially adversely affected.

The use of information technology by our third party commercial partners and service providers exposes us to business disruptions or other negative impacts that could adversely affect us.

We rely on third-party service providers, including cloud data service and other information technology service providers, suppliers, distributors, contractors and other business partners, for certain areas of our business, including certain finance, accounting, and IT functions, workforce management, and payroll processing. Some of our commercial partners may also receive or store information provided by us or our users through their websites, including information entrusted to them by customers. Our users' data and customer information may be improperly accessed, used or disclosed if these third-party commercial partners fail to adopt or adhere to adequate information security practices, or fail to comply with their respective online policies, or in the event of a breach of our or their networks. If any of these third-party service providers or vendors do not perform effectively, or if we fail to adequately monitor their performance (including compliance with service level agreements or regulatory or legal requirements), we may experience business disruption, systems performance degradation, processing inefficiencies or other systems disruptions, the loss of or damage to intellectual property or sensitive data through security breaches or otherwise, incorrect or adverse effects on financial reporting, litigation, claims, legal or regulatory proceedings, inquiries or investigations, fines or penalties, remediation costs, damage to our reputation, a negative impact on employee morale or the loss of current or potential customers, all of which can adversely affect our business.

These third parties are subject to similar risks as we are relating to cybersecurity, privacy violations, business interruption, and systems and employee failures, and are subject to legal, regulatory and market risks of their own. We do not have control over their business operations or governance and compliance systems, practices and procedures, which increases our financial, legal, reputational and operational risk. We have in the past, and may in the future, experience indirect impacts of events that take place at our third-party service providers and other business partners. If we are unable to effectively manage our third-party relationships, or for any reason our third-party service providers or business partners fail to satisfactorily fulfill their commitments and responsibilities, our financial results could suffer.

We rely on the performance of a limited number of suppliers and manufacturers for our brewers, and a limited number of order fulfillment companies for our brewers, beverage concentrates and syrups.

A small number of companies, located primarily in Asia, co-manufacture the vast majority of our brewers. Our manufacturers may not be able to scale their manufacturing operations to match increasing consumer demand for our brewers at competitive costs. If our manufacturers were to cease or interrupt production or otherwise fail to supply brewers to us as agreed, we would be unable to obtain brewers for an indeterminate period of time, which could adversely affect our product sales and operating results.

The majority of the distribution of our brewers, beverage concentrates and syrups is handled by third-party order fulfillment companies in the U.S. Our third-party manufacturers and order fulfillment companies are subject to disruption, including as a result of health epidemics, natural disasters, information technology failures, commercial or international trade disputes, governmental regulatory and enforcement actions, labor stoppages or strikes, financial issues, or otherwise. These issues could delay importation and increase the cost of products, delay the fulfillment of the brewers, beverage concentrates and syrups to our customers or require us to locate alternative manufacturers or order fulfillment companies to avoid disruption, which could adversely affect our product sales and operating results.

GENERAL RISK FACTORS

Our financial results may be negatively impacted by recession, financial and credit market disruptions and other political, social or economic conditions.

Changes in economic and financial conditions in the U.S., Canada, Mexico, or other geographies where we do business may negatively impact consumer confidence and consumer spending, which could result in a reduction in our sales volume and/or switching to lower price offerings. Similarly, disruptions in financial and credit markets worldwide may impact our ability to manage normal commercial relationships with customers, suppliers, and creditors. These disruptions could have a negative impact on the ability of our customers to pay their obligations on time, the ability of our vendors to supply materials in a timely manner, or the risk of counterparty default, each of which could reduce our cash flow.

We cannot predict how current or future economic conditions will affect our business partners, including financial institutions with whom we do business, and any negative impact on any of the foregoing may also have an adverse impact on our business. Disruptions in financial and credit markets could also have a negative effect on our ability to raise capital through the issuance of unsecured commercial paper or senior notes. In addition, declines in the securities and credit markets could affect our pension and PRMB assets and obligations, which in turn could increase our funding requirements.

Unstable geopolitical conditions or events in certain markets, including civil unrest, acts of war, terrorism, or governmental changes, or changes in international relations could undermine global consumer confidence and reduce consumers' purchasing power, thereby reducing demand for our products. Restrictions on business activities, which have been or may be imposed or expanded as a result of political and economic instability, deterioration of economic relations between countries, such as changes in or terminations of existing trade agreements, or the imposition of tariffs (including recent U.S. tariffs imposed or threatened to be imposed on Canada, Mexico, China, and other countries, and any retaliatory actions taken by such countries), or otherwise, could impact our profitability or otherwise have an adverse effect on our business.

We have no operations in Russia, Ukraine, or the Middle East, but due to the impact of the ongoing conflicts in those regions on the global economy, we have experienced and may continue to experience supply chain constraints; inflation in input costs, logistics, manufacturing, and labor costs; volatility in fuel and commodity prices and fluctuations in foreign exchange rates and interest rates, any of which could adversely impact our results of operations.

U.S. and international laws and regulations could adversely affect our business.

We are subject to a variety of federal, state, and local laws and regulations in the U.S., Canada, Mexico, and other countries in which we conduct business. These laws and regulations apply to many aspects of our business, including the manufacture, safety, sourcing, labeling, storing, transportation, marketing, advertising, distribution, pricing, and sale of our products. Other laws and regulations that may impact our business relate to competition and antitrust, the environment, relations with distributors and retailers, employment, privacy, health, and trade practices. Our expanding international business will also expose us to economic factors, regulatory requirements, increasing competition, and other risks associated with doing business in foreign countries, including import or export restrictions and tariffs. Our international business is also subject to U.S. laws, regulations, and policies, including anti-corruption and export laws and regulations.

Any significant change in laws or regulations or their interpretation, in any of these jurisdictions, or the introduction of higher standards or more stringent laws or regulations, could result in increased compliance costs or capital expenditures or significant challenges to our ability to continue to produce and sell products that generate a significant portion of our sales and profits. Certain jurisdictions in which our products are sold have either imposed, or are considering imposing, new or increased taxes on the manufacture, distribution or sale of certain of our products, particularly our beverages, as a result of ingredients (including sweeteners or alcohol) or packaging and packaging materials, which could increase the cost of certain of our products, reduce overall consumption of our products or lead to negative publicity, resulting in an adverse effect on our business and financial performance. Increasing governmental and societal attention to environmental, social, and governance matters has resulted and could continue to result in new laws or regulatory requirements, including new or expanded disclosure requirements that are expected to continue to expand the nature, scope, and complexity of matters on which we are required to report. In addition, the entry into new markets or categories has resulted in and could continue to result in our business being subject to additional regulations resulting in higher compliance costs. Violations of laws or regulations could damage our reputation and/or result in criminal, civil, or administrative actions with substantial financial penalties and operational limitations.

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

We have been, and in the future may be, a party to various litigation, claims, legal (including regulatory) proceedings, inquiries, and investigations that may include employment, tort, contract, real estate, antitrust, environmental, recycling/sustainability, intellectual property, commercial, securities, false advertising, packaging, product labeling, consumer protection, discriminatory pricing, privacy, tax, insurance, and other claims. We have been, and in the future may be, a defendant in class action litigation, including litigation regarding employment practices, product labeling, including under California's "Proposition 65," public statements and disclosures under securities laws, antitrust, advertising, consumer protection, and wage and hour laws. Plaintiffs in class action litigation may seek to recover amounts that are large and may be indeterminable for some period of time. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and estimate, if possible, the amount of potential losses, and we establish a reserve as appropriate based upon assessments and estimates in accordance with our accounting policies. We base our assessments, estimates and disclosures on the information available to us at the time and rely on legal and management judgment. Actual outcomes or losses may differ materially from assessments and estimates. Costs to defend litigation claims and legal proceedings and the cost and any required actions arising out of actual settlements, judgments or resolutions of these claims and legal proceedings may negatively affect our business and financial performance. Any adverse publicity resulting from allegations made in litigation claims or legal proceedings may also adversely affect our reputation, which in turn could adversely affect our results of operations.

Increased concerns related to the use or disposal of plastics or other packaging materials can adversely affect our business and financial performance.

We rely on diverse packaging solutions to safely deliver products to our customers and consumers. Concern has grown with respect to the use or disposal of plastics and their potential impact on health and the environment, which may contribute to actual or threatened legal action against us, negative consumer perception of our products, additional government regulation, or new or increased taxes on our products. Various jurisdictions in which our products are sold have imposed or are considering imposing laws, regulations, or policies intended to encourage the use of sustainable packaging, waste reduction, or increased recycling rates, or to restrict the sale of products utilizing certain packaging. These laws, regulations, and policies vary in form and scope between jurisdictions and include extended producer responsibility policies, plastic or packaging taxes, restrictions on certain products and materials, requirements for bottle caps to be tethered to bottles, restrictions or bans on the use of certain types of packaging, including single-use plastics and packaging containing PFAS, or other chemicals of concern, restrictions on labeling related to recyclability, and requirements to charge deposit fees. These laws and regulations have in the past and could continue to increase the cost of our products, impact demand for our products, result in negative publicity and require us and our business partners to increase capital expenditures to invest in reducing the amount of virgin plastic or other materials used in our packaging, to develop alternative packaging or product formats or to revise product labeling, all of which can adversely affect our business and financial performance. Changes in legislation could restrict the sale of our products that use such packaging materials, which could reduce our sales and profits.

Significant additional labeling or warning requirements or limitations on the marketing or sale of our products may inhibit sales of affected products.

Various jurisdictions have adopted and may seek to adopt bans or restrictions on the use of certain ingredients or substances in products, as well as significant additional product labeling or warning requirements or limitations on the marketing or sale of our products because of what they contain or allegations that they cause adverse health effects. For example, under one such law in California, known as Proposition 65, if the state has determined that a substance causes cancer or harms human reproduction or development, a warning must be provided for any product sold in the state that exposes consumers to that substance, unless the exposure falls under an established safe harbor level or another exemption is applicable. If we were required to add Proposition 65 warnings on the labels of one or more of our products produced for sale in California, the resulting consumer reaction to the warnings and potential adverse publicity could negatively affect our sales both in California and in other markets. Regulators have also expressed concerns about the processing and use of particular ingredients or additives in beverage products. The imposition or proposed imposition of bans or restrictions on the use of certain ingredients or substances in products, or of additional limitations on the marketing or sale of our products, has in the past and could continue to reduce overall consumption of our products, lead to negative publicity or leave consumers with the perception that our products do not meet their health and wellness needs, resulting in an adverse effect on our business and financial performance.

Our use of information technology and third-party service providers exposes us to cybersecurity breaches and other business disruptions that could adversely affect us.

We, and our third-party service providers, use information technology to support our global business processes and activities, including supporting critical business operations; communicating with our suppliers, customers, and employees; maintaining financial information and effective accounting processes and financial and disclosure controls; engaging in mergers and acquisitions and other corporate transactions; conducting research and development activities; meeting regulatory, legal and tax requirements; and executing various digital marketing and consumer promotion activities. Global shared service centers managed by third parties provide an increasing amount of services to conduct our business, including a number of accounting, internal control, information technology, human resources, and computing functions. Continuity of business applications and services has been, and may in the future be, disrupted by events such as infection by viruses or malware. In addition, our continuity of business applications and operations has been, and may in the future be, disrupted by other issues, including cybersecurity attacks (which may include social engineering, business email compromise, cyber extortion, denial of service, attempts to exploit vulnerabilities, hacking, website defacement, theft of passwords and other credentials, or unauthorized use of computing resources for digital currency mining); issues with or errors in systems' maintenance or security; migration of applications to the cloud; power outages; hardware or software failures; telecommunication failures; natural disasters; terrorist attacks; unintentional or malicious actions of employees or contractors; and fires and other catastrophic occurrences and other cyber incidents.

Like most major corporations, we are regularly subject to cyberattacks and other cyber incidents, including the types of attacks and incidents described above. If we do not allocate and effectively manage the resources necessary to continue building and maintaining our information technology infrastructure, or if we fail to identify in a timely manner or appropriately respond to cyberattacks or other cyber incidents, including with respect to third-party service providers, our business has been and can continue to be adversely affected, which has resulted in and can continue to result in some or all of the following: business disruption, systems performance degradation, processing inefficiencies or other systems disruptions, the loss of or damage to intellectual property or sensitive data (including confidential information that we process and maintain about our employees or consumers through our e-commerce platform) through security breaches or otherwise, incorrect or adverse effects on financial reporting, litigation, claims, legal or regulatory proceedings, inquiries or investigations, fines or penalties, remediation costs, damage to our reputation or a negative impact on employee morale or the loss of current or potential customers, all of which can adversely affect our business. In addition, these risks also exist in acquired businesses, joint ventures, or companies we invest in or partner with that use separate information systems or that have not yet been fully integrated into our information systems.

Similar risks exist with respect to our third-party service providers, including cloud data service and other information technology service providers, suppliers, distributors, contractors, and other business partners, that we rely upon for certain areas of our business, including payroll processing, health and benefit plan administration, and certain finance and accounting functions. When risks such as these materialize, the need for us to coordinate with various third-party service providers, including with respect to timely notification and access to personnel and information concerning an incident, and for third party service providers to coordinate amongst themselves might make it more challenging to resolve the related issues. As a result, we are subject to the risk that the activities associated with our third-party service providers can adversely affect our business even if the attack or breach does not directly impact our systems or information.

Although the cybersecurity incidents that we have experienced to date, as well as those reported to us by our third-party service providers, have not had a material effect on our business, financial condition, or results of operations, such incidents could have a material adverse effect on us in the future. Security measures, including network security, backup and disaster recovery, upgrading systems and networks, enhanced training, and other security measures to protect our systems and data, cannot guarantee that we will be successful in preventing or responding to all cyber incidents, systems disruptions, system compromises, or misuses of data. In addition, due to the constantly evolving nature of security threats, we cannot predict the form and impact of any future incident, and the cost and operational expense of implementing, maintaining, and enhancing protective measures to guard against increasingly complex and sophisticated cyber threats could increase significantly. Although we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of a breach or disruption, such insurance coverage may be insufficient to cover all losses.

Failure to comply with personal data protection and privacy laws can adversely affect our business.

We are subject to a variety of continuously evolving and developing laws and regulations in numerous jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. Privacy and data protection laws may be interpreted and applied differently from one jurisdiction to another and may create inconsistent or conflicting requirements. In addition, new legislation in this area may be enacted in other jurisdictions at any time. Our efforts to comply with privacy and data protection laws may impose significant costs and challenges that are likely to increase over time, and we could experience substantial penalties, litigation, claims, legal or regulatory proceedings, inquiries or investigations, damage to our reputation, and fines or penalties related to violation of existing or future data privacy laws and regulations.

Further, as a retailer accepting debit and credit cards for payment, as well as other digital payment tools, we are subject to industry data protection standards and protocols such as the Payment Card Industry Data Security Standard. In certain circumstances, our contracts with payment card processors and payment card networks (such as Visa, Mastercard, American Express, and Discover) generally require us to adhere to payment card network rules which could make us liable to payment card issuers and others if information in connection with payment cards and payment card transactions that we process is compromised, which liabilities could be substantial.

Climate change or related legislation could adversely affect our business.

Climate change may increase the frequency or severity of natural disasters and other extreme weather conditions, which could pose physical risks to our facilities, impair our production capabilities, disrupt our supply chain, or impact demand for our products. Climate change is already affecting the agricultural sector, and disruptions to crop growing conditions are expected to increase with extreme weather events, increasing temperatures, and changing water availability. Disruptions to crop growing conditions can cause changes in geographical ranges of crops, as well as weeds, diseases, and pests that affect those crops. These impacts have in the past and may in the future limit availability or increase the price volatility of key agricultural commodities, such as coffee, corn, citrus, cocoa, and apples, which are important sources of ingredients for our products.

Concern over climate change, including global warming, has led to legislative and regulatory initiatives limiting greenhouse gas emissions and increasing disclosure obligations. Increased compliance costs due to legal or regulatory requirements, along with initiatives to meet our sustainability goals, may cause higher costs associated with, or disruptions in, the manufacturing and distribution of our beverage products. As a result, the effects of climate change and legal or regulatory initiatives to address climate change could have an adverse impact on our business and results of operations. In addition, any failure to achieve or properly report on our goals with respect to reducing our impact on the environment or perception of a failure to act responsibly with respect to the environment or to effectively respond to regulatory requirements concerning climate change can lead to adverse publicity, which could result in reduced demand for our products, damage to our reputation or increase the risk of litigation. Any of the foregoing can adversely affect our business.

Water scarcity and quality could adversely affect our business.

Water is the primary ingredient in many of our products and is used across our operations. The competition for water among domestic, agricultural, and manufacturing users is increasing in the countries where we operate. Even where water is widely available, water purification and waste treatment infrastructure limitations and regulations could increase costs or constrain our operations. As water becomes scarcer, the quality of the water deteriorates, including due to the effects of climate change, or requirements on water purification or filtration increase, we may experience increased production costs; manufacturing constraints; supply chain disruption; higher compliance costs; increased capital expenditures; the interruption or cessation of operations at, or relocation of, our facilities or the facilities of our business partners; challenges to efficiency gains due to higher water usage in compliance with more stringent water quality standards; failure to achieve our water efficiency and conservation goals; perception of our failure to act responsibly with respect to water use or to effectively respond to legal or regulatory requirements concerning water scarcity and quality; or damage to our reputation, any of which can adversely affect our business.

Fluctuations in our effective tax rate may result in volatility in our financial results.

We are subject to income taxes and non-income-based taxes in many U.S. and certain foreign jurisdictions. Tax legislation may be enacted, domestically or abroad, that impacts our effective tax rate. Changes in tax laws, regulations, related interpretations, and tax accounting standards in the U.S. and various foreign jurisdictions in which we operate may impact our effective tax rate and adversely affect our financial results. In addition, our effective tax rate in any given financial statement period may be significantly impacted by changes in the mix and level of earnings or by changes to existing accounting rules, tax regulations, or interpretations of existing law. Significant judgment is required in determining our annual income tax expense and in evaluating our tax positions. Although we believe our tax estimates, including intercompany transfer pricing policies, are reasonable, the final determination of tax audits and any related disputes could be materially different from our historical income tax provisions, estimates, and accruals. The results of audits or related disputes could have a material adverse effect on our financial statements for the period or periods for which the applicable final determinations are made and for periods for which the statute of limitations is open.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We, and our third-party service providers, use information technology to support our global business processes and activities, which exposes us to cybersecurity risks. KDP's overall risk management system includes ongoing cybersecurity risk assessment and reporting, incident management, and a diligence and risk management process for third-party service providers. Employees with network access participate in ongoing phishing, social engineering, and cybersecurity awareness training efforts, and we also conduct periodic tabletop exercises led by external consultants.

Our cybersecurity risk assessment and reporting process leverages the National Institute of Standards and Technology's Cybersecurity Framework and is managed by our CISO, whose team comprises both internal personnel and third-party cybersecurity consultants. The CISO provides periodic reports to management, including our CEO, as well as other executive leadership members, and to the Audit and Finance Committee of our Board, which has oversight for cybersecurity risk management. These reports include updates on critical cybersecurity risks and the threat landscape; updates on the status of ongoing cybersecurity improvement initiatives, the internal control environment, and ongoing internal audit activities; and, if relevant, the status of actions taken with respect to certain cybersecurity incidents identified during the period.

We have an overall incident management plan, which is intended to provide guidance and protocols to facilitate timely notification and communication to key internal and external stakeholders, as appropriate, during an incident. A subset of this incident management plan is our Security Incident Response Plan, or SIRP, which is based on leading cybersecurity incident response practices. Incidents may be escalated to the CISO, our Chief Information Officer, our Chief Legal Officer, or other members of management or the Board, depending on the severity of the incident, and are handled according to the SIRP protocols, which includes incident detection and analysis; containment, eradication and recovery; and post-incident monitoring. We have developed a framework for assessing the materiality of any such incidents, including a committee responsible for determining whether the incident is material for disclosure. The committee includes our CISO, our Chief Information Officer, our Chief Legal Officer, our Senior Vice President and Controller (Principal Accounting Officer), our head of Internal Audit, and other members of management with relevant subject matter expertise.

Our CISO has more than 26 years of experience in cybersecurity and information technology, including, prior to joining KDP in 2019, more than 11 years as a principal in Ernst & Young's cybersecurity practice. Our CISO reports directly to our Chief Information Officer, who also has over 37 years of experience in information technology and cybersecurity.

To date, we have not identified any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, which have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. For additional description of cybersecurity risks and potential related impacts on us, refer to the risk factors captioned "*Our use of information technology and third-party service providers exposes us to cybersecurity breaches and other business disruptions that could adversely affect us*" and "*The use of information technology by our third party commercial partners and service providers exposes us to business disruptions or other negative impacts that could adversely affect us*" in Item 1A, Risk Factors, in this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

We have two global corporate headquarters, located in Burlington, Massachusetts and Frisco, Texas, both of which are leased.

The following table summarizes our principal manufacturing plants and principal warehouse and distribution facilities by geography and reportable segment as of December 31, 2024:

	U.S. Refreshment Beverages		U.S. Coffee		International		Total	
	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased
United States								
Production facilities	7	12	1	4	—	—	8	16
Warehouse and distribution facilities	27	64	—	8	—	—	27	72
Foreign								
Production facilities	1	—	—	—	3	2	4	2
Warehouse and distribution facilities	—	—	—	—	5	65	5	65
Total	35	76	1	12	8	67	44	155

We believe our facilities are well-maintained and adequate, that they are being appropriately utilized, and that they have sufficient capacity for their present intended purposes. The extent of utilization of such facilities varies based on seasonal demand for our products and the status of our investments to maintain or upgrade various technologies or equipment within such facilities. During the year ended December 31, 2024, we announced the planned closure of our Windsor, Virginia manufacturing facility, which is expected to take place in 2025.

We periodically review our space requirements, and we look to consolidate and dispose or sublet facilities we no longer need as appropriate.

ITEM 3. LEGAL PROCEEDINGS

We are occasionally subject to litigation or other legal proceedings relating to our business. Refer to Note 18 of the Notes to our Consolidated Financial Statements related to commitments and contingencies, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

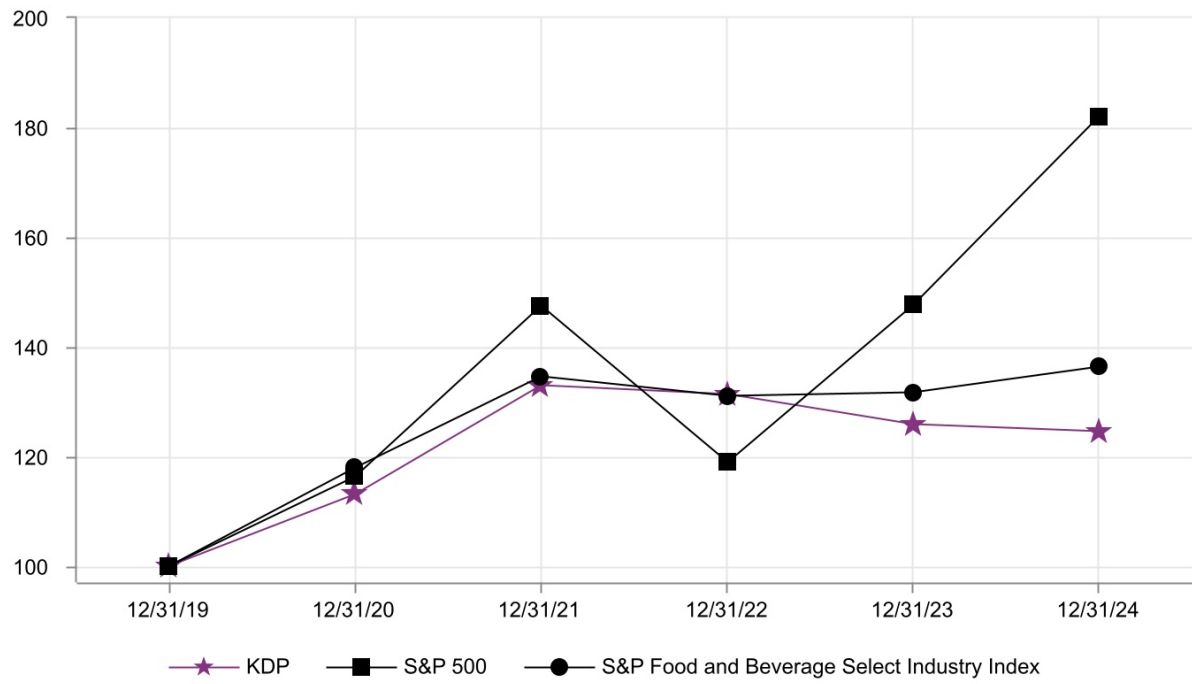
PART II

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

Our common stock is listed on Nasdaq's Global Select Market under the ticker symbol "KDP". As of December 31, 2024, there were 7,692 stockholders of record of our common stock. KDP's Board has declared a regular quarterly cash dividend and expects to continue to pay such dividends on a quarterly basis.

COMPARISON OF TOTAL STOCKHOLDER RETURN

The following performance graph compares the cumulative total returns of KDP for a five-year period with the cumulative total returns of the S&P 500 Index and the S&P Food and Beverage Select Industry Index. The graph assumes that \$100 was invested on December 31, 2019, with dividends reinvested quarterly. Performance shown in the graph is not necessarily indicative of future performance.



ISSUER REPURCHASES OF EQUITY SECURITIES

On October 1, 2021, our Board authorized a share repurchase program of up to \$4 billion of our outstanding common stock, potentially enabling us to return value to shareholders. The \$4 billion authorization is effective for four years, beginning on January 1, 2022 and expiring on December 31, 2025, and does not require the purchase of any minimum number of shares. As of December 31, 2024, \$1,810 million remained available for repurchase under the authorized share repurchase program. We did not repurchase any shares during the fourth quarter of 2024.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section of this Annual Report on Form 10-K generally discusses the years ended December 31, 2024 and 2023 and year-over-year comparisons between the years ended December 31, 2024 and 2023. Discussions of the periods prior to the year ended December 31, 2023 that are not included in this Annual Report on Form 10-K are found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023 and the discussion therein for the year ended December 31, 2023 compared to the year ended December 31, 2022 is incorporated by reference into this Annual Report.

This Annual Report on Form 10-K contains the names of some of our owned or licensed trademarks, trade names and service marks, which we refer to as our brands. All of the product names included in this Annual Report on Form 10-K are either our registered trademarks or those of our licensors.

OVERVIEW

KDP is a leading beverage company in North America that manufactures, markets, distributes and sells hot and cold beverages and single serve brewing systems. We have a broad portfolio of iconic beverage brands, including Keurig, Dr Pepper, Canada Dry, Mott's, A&W, Peñafiel, Snapple, 7UP, Green Mountain Coffee Roasters, GHOST, Clamato, Core Hydration, and The Original Donut Shop. KDP has some of the most recognized beverage brands in North America, with significant consumer awareness levels and long histories that evoke strong emotional connections with consumers. We offer more than 125 owned, licensed, and partner brands, available nearly everywhere people shop and consume beverages through our sales and distribution network.

KDP operates as an integrated brand owner, manufacturer, and distributor. We believe our integrated business model strengthens our route-to-market and provides opportunities for net sales and profit growth through the alignment of the economic interests of our brand ownership and our manufacturing and distribution businesses through both our DSD system and our WD system. We market and sell our products to retailers, including supermarkets, mass merchandisers, club stores, pure-play e-commerce retailers, and office superstores; to restaurants, hotel chains, office product and coffee distributors, and partner brand owners; and directly to consumers through our website. Our integrated business model enables us to be more flexible and responsive to the changing needs of our large retail customers and allows us to more fully leverage our scale and reduce costs by creating greater geographic manufacturing and distribution coverage.

SEGMENTS

Our operating and reportable segments are as follows:

- The U.S. Refreshment Beverages segment reflects sales in the U.S. from the manufacture and distribution of branded concentrates, syrup, and finished beverages, including the sales of our own brands and third-party brands, to third-party bottlers, distributors, and retailers.
- The U.S. Coffee segment reflects sales in the U.S. from the manufacture and distribution of finished goods relating to our K-Cup pods, single serve brewers, and other coffee products to partners, retailers, and directly to consumers through our Keurig.com website.
- The International segment reflects sales in international markets, including the following:
 - Sales in Canada, Mexico, the Caribbean, and other international markets from the manufacture and distribution of branded concentrates, syrup, and finished beverages, including sales of our own brands and third-party brands, to third-party bottlers, distributors, and retailers.
 - Sales in Canada from the manufacture and distribution of finished goods relating to our single serve brewers, K-Cup pods, and other coffee products.

VOLUME

In evaluating our performance, we use different volume measures for LRB and for K-Cup pods and appliances.

For LRB, we measure our sales volume in 288 fluid ounce equivalent cases.

- For beverage concentrates, we measure our sales volume as concentrate case sales for concentrates sold by us to our bottlers and distributors. A concentrate case is the amount of concentrate needed to make one case of 288 fluid ounces of finished beverage, the equivalent of 24 twelve ounce servings. It does not include any other component of the finished beverage other than concentrate.
- For packaged beverages, we measure volume as case sales to customers. A case sale represents a unit of measurement equal to 288 fluid ounces of packaged beverage sold by us. Case sales include both our owned brands and certain brands licensed to and/or distributed by us.

For our K-Cup pods and appliances, we measure our sales volume as the number of appliances and the number of individual K-Cup pods sold to our customers.

EXECUTIVE SUMMARY

Financial Overview

As Reported, in millions (except Diluted EPS)



Key Events During and Subsequent to the Fourth Quarter of 2024

On October 23, 2024, we entered into a definitive agreement with GHOST, and certain other parties named therein, to acquire a controlling interest in GHOST. Founded in 2016, GHOST is a lifestyle sports nutrition business with a portfolio anchored by GHOST Energy, a leading ready-to-drink energy brand.

Under the terms of the agreement, we initially purchased a 60% stake in GHOST for aggregate consideration of approximately \$1 billion on December 31, 2024. We also entered into an agreement requiring us to purchase the remaining equity interests in GHOST in 2028. The initial payment was funded primarily by proceeds drawn from the Term Loan Agreement. We also executed an agreement with GHOST and ABI which transfers the distribution rights for GHOST products from ABI to us, effective March 3, 2025, for a termination payment to ABI of \$225 million which will be paid during the first quarter of 2025. Refer to Note 4 of the Notes to our Consolidated Financial Statements for additional information.

On January 31, 2025, we repaid the amount outstanding under the Term Loan Agreement using proceeds from commercial paper.

Uncertainties and Trends Affecting Our Business

We believe the North American beverage market is influenced by certain key trends and uncertainties. Refer to Item 1A, *Risk Factors*, as well as the *Uncertainties and Trends Affecting Liquidity and Capital Resources* section below, for more information about risks and uncertainties facing us.

Refer to Note 6 of the Notes to our Consolidated Financial Statements and Item 7A, *Quantitative and Qualitative Disclosures About Market Risk* for management's discussion of how we manage our exposure to commodity risk.

RESULTS OF OPERATIONS

We eliminate from our financial results all intercompany transactions between entities included in our consolidated financial statements and the intercompany transactions with our equity method investees.

References in the financial tables to percentage changes that are not meaningful are denoted by "NM".

For the Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023:

Consolidated Operations

The following table sets forth our consolidated results of operations for the years ended December 31, 2024 and 2023:

(in millions, except per share amounts)	For the Year Ended December 31,		Dollar Change	Percentage Change
	2024	2023		
Net sales	\$ 15,351	\$ 14,814	\$ 537	3.6 %
Cost of sales	6,822	6,734	88	1.3
Gross profit	8,529	8,080	449	5.6
Selling, general, and administrative expenses	5,013	4,912	101	2.1
Impairment of goodwill	306	—	306	NM
Impairment of other intangible assets	412	2	410	NM
Other operating expense (income), net	207	(26)	233	NM
Income from operations	2,591	3,192	(601)	(18.8)
Interest expense, net	735	496	239	48.2
Impairment of investments and note receivable	2	—	2	NM
Other (income) expense, net	(60)	(61)	1	NM
Income before provision for income taxes	1,914	2,757	(843)	(30.6)
Provision for income taxes	473	576	(103)	(17.9)
Net income	\$ 1,441	\$ 2,181	\$ (740)	(33.9)%
Earnings per common share:				
Basic	\$ 1.06	\$ 1.56	\$ (0.50)	(32.1)%
Diluted	1.05	1.55	(0.50)	(32.3)%
Gross margin	55.6 %	54.5 %		110 bps
Operating margin	16.9 %	21.5 %		(460) bps
Effective tax rate	24.7 %	20.9 %		380 bps

Sales Volume. The following table provides the change in sales volume compared to the prior year:

	Percentage Change
LRB	1.8 %
K-Cup pods	0.8 %
Appliances	7.4 %

Net Sales. Net sales increased \$537 million, or 3.6%, to \$15,351 million for the year ended December 31, 2024 compared to \$14,814 million in the prior year. This performance reflected volume/mix growth of 2.7% and favorable net price realization of 1.2%, slightly offset by unfavorable impacts from FX translation of 0.3%.

Gross Profit. Gross profit increased \$449 million, or 5.6%, to \$8,529 million for the year ended December 31, 2024 compared to \$8,080 million in the prior year. This performance primarily reflected the gross profit impact of net sales growth (3 percentage points), a net benefit from changes in ingredients, materials, and productivity (2 percentage points), and earned equity from the achievement of milestones associated with certain distribution agreements (1 percentage point), partially offset by net increases in other manufacturing costs (1 percentage point).

Selling, General and Administrative Expenses. SG&A expenses increased \$101 million, or 2.1%, to \$5,013 million for the year ended December 31, 2024 compared to \$4,912 million in the prior year, led by increases in transportation and warehousing expenses (2 percentage points) and people costs (1 percentage point), partially offset by reduced costs associated with productivity projects (1 percentage point).

Impairment of Goodwill. Impairment of goodwill reflected a non-cash impairment charge of \$306 million within the U.S. Warehouse Direct reporting unit in the U.S. Refreshment Beverages segment. Refer to Note 5 of the Notes to our Consolidated Financial Statements for further information.

Impairment of Other Intangible Assets. Impairment of intangible assets reflected non-cash impairment charges of \$412 million for intangible brand assets, primarily led by Snapple. Refer to Note 5 of the Notes to our Consolidated Financial Statements for further information.

Other operating expense (income), net. Other operating (expense) income, net reflected an unfavorable change of \$233 million for the year ended December 31, 2024, primarily driven by the accrued \$225 million termination fee associated with ABI. Refer to Note 4 of the Notes to our Consolidated Financial Statements for further information.

Income from Operations. Income from operations decreased \$601 million, or 18.8%, to \$2,591 million for the year ended December 31, 2024 compared to \$3,192 million in the prior year, as our increase in gross profit (14 percentage points) was more than offset by the impacts of our non-cash impairment charges for goodwill and other intangible assets (22 percentage points) and the accrued termination fee associated with ABI (7 percentage points).

Interest Expense, Net. Interest expense, net increased \$239 million, or 48.2%, to \$735 million for the year ended December 31, 2024 compared to \$496 million for the prior year, primarily driven by increased debt and higher financing costs (32 percentage points) and an unfavorable year-over-year change in unrealized mark-to-market activity (17 percentage points).

Effective Tax Rate. The effective tax rate increased 380 bps to 24.7% for the year ended December 31, 2024, compared to 20.9% in the prior year, primarily driven by the impact of our non-cash goodwill impairment charge (270 bps) and the unfavorable comparison to the prior year tax benefit received from a non-cash adjustment (100 bps).

Net Income. Net income decreased \$740 million, or 33.9%, to \$1,441 million for the year ended December 31, 2024 as compared to \$2,181 million in the prior year.

Diluted EPS. Diluted EPS decreased 32.3% to \$1.05 per diluted share as compared to \$1.55 in the prior year.

Results of Operations by Segment

The following tables set forth net sales and income from operations for our reportable segments for the years ended December 31, 2024 and 2023, as well as the other amounts necessary to reconcile our total segment results to our consolidated results presented in accordance with U.S. GAAP:

(in millions)	For the Year Ended December 31,	
	2024	2023
Net sales		
U.S. Refreshment Beverages	\$ 9,331	\$ 8,821
U.S. Coffee	3,967	4,071
International	2,053	1,922
Total net sales	\$ 15,351	\$ 14,814

(in millions)	For the Year Ended December 31,	
	2024	2023
Income from Operations		
U.S. Refreshment Beverages	\$ 1,878	\$ 2,483
U.S. Coffee	1,079	1,158
International	545	475
Unallocated corporate costs	(911)	(924)
Total income from operations	\$ 2,591	\$ 3,192

U.S. Refreshment Beverages

The following table provides selected information about our U.S. Refreshment Beverages segment's results:

(in millions)	For the Year Ended December 31,		Dollar Change	Percentage Change
	2024	2023		
Net sales	\$ 9,331	\$ 8,821	\$ 510	5.8 %
Income from operations	1,878	2,483	(605)	(24.4)%
Operating margin	20.1 %	28.1 %		(800) bps

Sales Volume. Sales volumes for the year ended December 31, 2024 increased approximately 1.0% compared to the prior year period. Growth in carbonated soft drinks and the contributions from partnerships, such as Electrolit and C4, was partially offset by softness in our still beverages portfolio.

Net Sales. Net sales increased 5.8% to \$9,331 million in the year ended December 31, 2024, compared to \$8,821 million in the prior year period, driven by favorable net price realization of 3.1% and volume/mix growth of 2.7%.

Income from Operations. Income from operations decreased \$605 million, or 24.4%, to \$1,878 million for the year ended December 31, 2024 compared to \$2,483 million for the prior year period. This decrease was primarily driven by the non-cash goodwill and intangible impairment charges (29 percentage points) and the accrued termination fee associated with ABI (9 percentage points). Other drivers include the benefit to gross profit of net sales growth (13 percentage points), a net benefit from changes in ingredients, materials, and productivity (3 percentage points), and earned equity from the achievement of milestones associated with certain distribution agreements (3 percentage points), partially offset by increased transportation and warehousing expenses (3 percentage points).

U.S. Coffee

The following table provides selected information about our U.S. Coffee segment's results:

(in millions)	For the Year Ended December 31,		Dollar Change	Percentage Change
	2024	2023		
Net sales	\$ 3,967	\$ 4,071	\$ (104)	(2.6)%
Income from operations	1,079	1,158	(79)	(6.8)%
Operating margin	27.2 %	28.4 %		(120) bps

Sales Volume. K-Cup pod volume was flat for the year ended December 31, 2024 compared to the prior year period. Appliance volume increased 7.3% in the year ended December 31, 2024, driven by Keurig market share momentum and improving coffeemaker category trends.

Net Sales. Net sales decreased 2.6% to \$3,967 million for the year ended December 31, 2024 compared to \$4,071 million in the prior year period, driven by unfavorable net price realization of 3.6%, partially offset by volume/mix growth of 1.0%.

Income from Operations. Income from operations decreased \$79 million, or 6.8%, to \$1,079 million for the year ended December 31, 2024, compared to \$1,158 million in the prior year period, driven by the gross profit impact of the net sales decrease (11 percentage points), partially offset by a net benefit from changes in ingredients, materials, and productivity (3 percentage points).

International

The following table provides selected information about our International segment's results:

(in millions)	For the Year Ended December 31,		Dollar Change	Percentage Change
	2024	2023		
Net sales	\$ 2,053	\$ 1,922	\$ 131	6.8 %
Income from operations	545	475	70	14.7 %
Operating margin	26.5 %	24.7 %		180 bps

Sales Volume. The following table provides the percentage change in sales volumes for the International segment compared to the prior year period:

	Percentage Change
LRB	5.6 %
K-Cup pods	6.6
Appliances	8.2

Net Sales. Net sales increased 6.8% to \$2,053 million in the year ended December 31, 2024, compared to \$1,922 million in the prior year period, reflecting volume/mix growth of 6.2% and higher net price realization of 3.0%, partially offset by unfavorable FX translation of 2.4%.

Income from Operations. Income from operations increased \$70 million, or 14.7%, to \$545 million for the year ended December 31, 2024 compared to \$475 million in the prior year period. This performance reflected the gross profit impact of volume/mix growth and higher net price realization (25 percentage points) and a net benefit from changes in ingredients, materials, and productivity (5 percentage points), partially offset by increased transportation and warehousing expenses (5 percentage points) and higher marketing investment (5 percentage points).

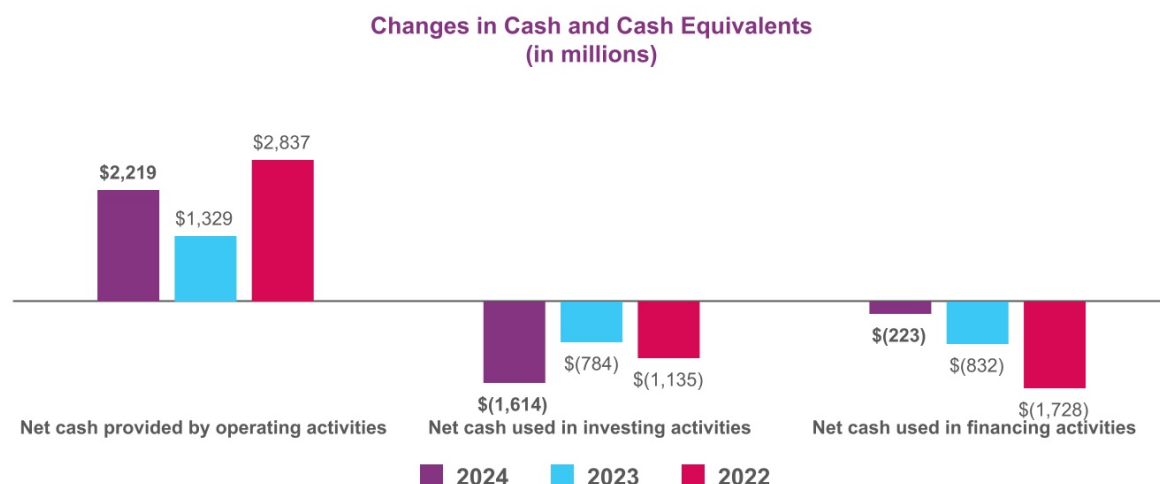
LIQUIDITY AND CAPITAL RESOURCES

Overview

We believe our financial condition and liquidity remain strong. We continue to manage all aspects of our business, including, but not limited to, monitoring the financial health of our customers, suppliers, and other third-party relationships, implementing gross margin enhancement strategies through our productivity initiatives, and developing new opportunities for growth such as innovation and agreements with partners to distribute brands that are accretive to our portfolio.

Cash generated by our foreign operations is generally repatriated to the U.S. periodically as working capital funding requirements, where allowed. We do not expect restrictions or taxes on repatriation of cash held outside the U.S. to have a material effect on our overall business, liquidity, financial condition, or results of operations for the foreseeable future.

The following summarizes our cash activity for the years ended December 31, 2024, 2023, and 2022:



Principal Sources of Capital Resources

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated from our operations, and borrowing capacity currently available under our Revolving Credit Agreement and our Term Loan Agreement. Additionally, we have an uncommitted commercial paper program where we can issue unsecured commercial paper notes on a private placement basis. Based on our current and anticipated level of operations, we believe that our operating cash flows will be sufficient to meet our anticipated obligations for the next twelve months and thereafter for the foreseeable future. To the extent that our operating cash flows are not sufficient to meet our liquidity needs, we may utilize cash on hand or amounts available under our financing arrangements, if necessary. At any time, and from time to time, we may seek additional deleveraging, refinancing, or liquidity enhancing transactions, including entering into transactions to repurchase or redeem outstanding indebtedness or otherwise seek transactions to reduce interest expense, extend debt maturities, and improve our capital and liquidity structure.

Sources of Liquidity - Operations

Net cash provided by operating activities increased \$890 million for the year ended December 31, 2024, as compared to the year ended December 31, 2023, driven by the favorable comparison in working capital versus the prior year period.

Cash Conversion Cycle

Our cash conversion cycle is defined as DIO and DSO less DPO. The calculation of each component of the cash conversion cycle is provided below:

Component	Calculation (on a trailing twelve month basis)
DIO	(Average inventory divided by cost of sales) * Number of days in the period
DSO	(Accounts receivable divided by net sales) * Number of days in the period
DPO	(Accounts payable * Number of days in the period) divided by cost of sales and SG&A expenses

The following table summarizes our cash conversion cycle:

	December 31,	
	2024	2023
DIO	68	71
DSO	36	34
DPO	92	113
Cash conversion cycle	12	(8)

Our cash conversion cycle increased 20 days to approximately 12 days as of December 31, 2024 as compared to (8) days as of December 31, 2023, which was primarily driven by the decrease in DPO, reflecting the reduction of payment terms for certain suppliers.

Accounts Payable Program

We work with our suppliers to optimize our terms and conditions, which includes payment terms. Excluding our suppliers who require cash at date of purchase or sale, our current payment terms with our suppliers generally range from 10 to 360 days. We also enter into agreements with third party administrators to allow participating suppliers to track payment obligations from us, and, if voluntarily elected by the supplier, sell payment obligations from us to financial institutions. Suppliers can sell one or more of our payment obligations at their sole discretion and our rights and obligations to our suppliers are not impacted. We have no economic interest in a supplier's decision to enter into these agreements and no direct financial relationship with the financial institutions. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. Refer to Note 2 of the Notes to our Consolidated Financial Statements for additional information on our obligations to participating suppliers.

Sources of Liquidity - Financing

Scheduled Repayments of Principal Borrowings as of December 31, 2024
(in millions)



Refer to Note 3 of the Notes to our Consolidated Financial Statements for management's discussion of our financing arrangements.

We also have an active shelf registration statement, filed with the SEC on August 19, 2022, which allows us to issue an indeterminate number or amount of common stock, preferred stock, debt securities, and warrants from time to time in one or more offerings at the direction of our Board.

Debt Ratings

Our credit ratings are as follows:

Rating Agency	Long-Term Debt Rating	Commercial Paper Rating	Outlook
Moody's	Baa1	P-2	Stable
S&P	BBB	A-2	Stable

These debt and commercial paper ratings impact the interest we pay on our financing arrangements. A downgrade of one or both of our debt and commercial paper ratings could increase our interest expense and decrease the cash available to fund anticipated obligations.

As of December 31, 2024, we were in compliance with all debt covenants and we have no reason to believe that we will be unable to satisfy these covenants.

Principal Uses of Capital Resources

Our capital allocation priorities are investing to grow our business both organically and inorganically, continuing to strengthen our balance sheet, and returning cash to shareholders through regular quarterly dividends and opportunistic share repurchases. We dynamically adjust our cash deployment plans based on the specific opportunities available in a given period, but over time we allocate capital to balance each of these priorities.

Regular Quarterly Dividends

We have declared total dividends of \$0.89 per share and \$0.83 per share for the years ended December 31, 2024 and 2023, respectively.

Repurchases of Common Stock

Our Board authorized a four-year share repurchase program, ending December 31, 2025, of up to \$4 billion of our outstanding common stock. Repurchases and retirements of common stock, including payments on our share excise tax obligation, were \$1,110 million and \$706 million during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, \$1,810 million remained available for repurchase under the authorized share repurchase program.

Capital Expenditures

Purchases of property, plant, and equipment were \$563 million and \$425 million for the years ended December 31, 2024 and 2023, respectively.

Capital expenditures, which includes both purchases of property, plant, and equipment and amounts included in accounts payable and accrued expenses, for the years ended December 31, 2024 and 2023, primarily related to investments in manufacturing capabilities, both in the U.S. and internationally. Capital expenditures included in accounts payable and accrued expenses were \$220 million and \$276 million for the years ended December 31, 2024 and 2023, respectively, which primarily related to these investments.

Investments in Unconsolidated Affiliates

From time to time, we invest in beverage startup companies or in brand ownership companies to grow our presence in certain product categories, or enter into various licensing and distribution agreements to expand our product portfolio. Our investments generally involve acquiring a minority interest in equity securities of a company, in certain cases with a protected path to ownership at our future option. Investments in unconsolidated affiliates were \$7 million and \$316 million for the years ended December 31, 2024 and 2023, respectively.

Acquisitions of Businesses and Purchases of Intangible Assets

We have invested in the expansion of our DSD network through transactions with strategic independent bottlers or third-party brand ownership companies to enhance competitive distribution scale. From time to time, we additionally acquire brand ownership companies to expand our portfolio. These transactions could be accounted for either as an acquisition of a business or as an asset acquisition, if the majority of the transaction price represents the acquisition of a single intangible asset. During the year ended December 31, 2024, we completed several acquisitions. Refer to Note 4 of the Notes to our Consolidated Financial Statements for further information about these acquisitions. Purchases of intangible assets were \$59 million and \$56 million for the years ended December 31, 2024 and 2023, respectively.

RESIDUAL VALUE GUARANTEES

We have a number of leasing arrangements and one licensing arrangement with VIEs for which we are not the primary beneficiary. Each one of these arrangements contain an RVG. As of December 31, 2024, we have not recorded any liabilities as it is not probable that we will have to make any payments required under the RVGs. Refer to Note 19 of the Notes to our Consolidated Financial Statements for further information.

UNCERTAINTIES AND TRENDS AFFECTING LIQUIDITY AND CAPITAL RESOURCES

Disruptions in financial and credit markets, including those caused by global economic uncertainty and fluctuations in interest rates, may impact our ability to manage normal commercial relationships with our customers, suppliers, and creditors. These disruptions could have a negative impact on the ability of our customers to timely pay their obligations to us, thus reducing our cash flow, or the ability of our vendors to timely supply materials.

Customer and consumer demand for our products may also be impacted by the risk factors discussed under "Risk Factors" in Part 1, Item 1A in this Annual Report on Form 10-K, as well as subsequent filings with the SEC, that could have a material effect on production, delivery, and consumption of our products, which could result in a reduction in our sales volume.

We believe that the following events, trends and uncertainties may also impact liquidity:

- Our ability to either repay existing debt maturities through cash flow from operations or refinance through future issuances of senior unsecured notes;
- Our ability to access and/or renew our committed financing arrangements;
- Our ability to issue unsecured uncommitted commercial paper notes on a private placement basis;
- Future mergers, acquisitions, or debt or equity investments, which may include brand ownership companies, regional bottling companies, distributors, and/or distribution rights to further extend our geographic coverage;
- Seasonality and other variability in our operating cash flows, which could impact short-term liquidity;
- Our continued payment of regular quarterly dividends;
- Future repurchases of our common stock or special dividends to drive total shareholder return;
- Our continued capital expenditures;
- Fluctuations in our tax obligations; and
- A potential significant downgrade in our credit ratings, which could limit i) our ability to issue debt at terms that are favorable to us, or ii) a financial institution's willingness to participate in our accounts payable program and reduce the attractiveness of the accounts payable program to participating suppliers who may sell payment obligations from us to financial institutions, which could impact our accounts payable program.

CRITICAL ACCOUNTING ESTIMATES

The process of preparing our consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses. Critical accounting estimates are both fundamental to the portrayal of a company's financial condition and results and require difficult, subjective or complex estimates and assessments. These estimates and judgments are based on historical experience, future expectations and other factors and assumptions we believe to be reasonable under the circumstances. The most significant estimates and judgments are reviewed on an ongoing basis and revised when necessary. We have not made any material changes in the accounting methodology we use to assess or measure our critical accounting estimates. We have identified the items described below as our critical accounting estimates. We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use in our critical accounting estimates. However, if actual results are not consistent with our estimates or assumptions, we may be exposed to gains or losses that could be material to our consolidated financial statements. See Note 2 of the Notes to our Consolidated Financial Statements for a discussion of these and other accounting policies.

Impairment Assessment of Goodwill and Other Indefinite Lived Intangible Assets

We conduct tests for impairment of our goodwill and our other indefinite lived intangible assets annually, as of October 1, or more frequently if events or circumstances indicate the carrying amount may not be recoverable. We use present value and other valuation techniques to make this assessment. If the carrying amount of goodwill or an intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. For purposes of impairment testing, we assign goodwill to the reporting unit that benefits from the synergies arising from each business combination, and we also assign indefinite lived intangible assets to our reporting units.

Our reportable segments as of October 1, 2024 were:

- **U.S. Refreshment Beverages** (reporting units: U.S. Beverage Concentrates, U.S. Warehouse Direct, and Direct Store Delivery)
- **U.S. Coffee** (reporting unit: U.S. Coffee)
- **International** (reporting units: Canada Beverage Concentrates, Canada Warehouse Direct, Canada Coffee, and Latin America Beverages)

For both goodwill and other indefinite lived intangible assets, we have the option to first assess qualitative factors to determine whether the fair value of either the reporting unit or indefinite lived intangible asset is "more likely than not" less than its carrying value, also known as a Step 0 analysis.

If a quantitative analysis is required:

- The impairment test for indefinite lived intangible assets encompasses calculating a fair value of an indefinite lived intangible asset and comparing the fair value to its carrying value. If the carrying value exceeds the estimated fair value, impairment is recorded.
- The impairment tests for goodwill include comparing fair value of the respective reporting unit with its carrying value, including goodwill and considering any indefinite lived intangible asset impairment charges.

As of October 1, 2024, we performed a quantitative analysis for goodwill and certain of our indefinite lived brand assets, whereby we used an income approach, or in some cases a combination of income and market based approaches, to determine the fair value of our assets, as well as an overall consideration of market capitalization and enterprise value. These types of analyses contain uncertainties because they require management to make assumptions and to apply judgment to estimate industry and economic factors and the profitability of future business strategies. These assumptions could be negatively impacted by various risks discussed in Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

Critical assumptions and estimates for quantitative analyses include revenue growth and profit performance over the next five year period, based on our strategic plan, as well as an appropriate discount rate and long-term growth rate, as applicable. Our strategic plan is updated as part of our annual planning process and is reviewed and approved by management, and includes assumptions related to macroeconomic conditions, competitive activities, productivity initiatives, and available market data. Discount rates are based on a weighted average cost of equity and cost of debt, adjusted with various risk premiums. Long-term growth rates are based on the long-term inflation forecast, industry and category growth trends, and the long-term economic growth potential.

The following table provides the range of rates used in the analysis as of October 1, 2024:

Rate	Minimum	Maximum
Discount rates	7.0 %	9.5 %
Long-term growth rates	— %	3.5 %

The following table shows the non-cash impairment charges that were recorded for goodwill and for indefinite lived brand assets for the years presented:

(in millions)	Year Ended December 31,		
	2024	2023	2022
Goodwill ⁽¹⁾	\$ 306	\$ —	\$ —
Indefinite lived brand assets ⁽²⁾	412	—	472

(1) Goodwill attributed to the U.S. WD reporting unit was impaired by the amount its carrying value exceeded its fair value.

(2) Indefinite lived brand assets, led primarily by Snapple for the year ended December 31, 2024, and Bai for the year ended December 31, 2022, were impaired to bring the respective carrying value equal to its fair value.

Sensitivity Analysis - Discount Rate

For goodwill, holding all other assumptions in the analysis constant, including the revenue and profit performance assumption, the effect of a 0.50% increase in the discount rate used to determine the fair value of the reporting units as of October 1, 2024, would result in additional non-cash impairment charges of \$198 million to our U.S. WD reporting unit, but would not change our conclusion on any other reporting units.

For the indefinite-lived priority brand assets quantitatively assessed, holding all other assumptions in the analysis constant, including the revenue and profit performance assumption, the effect of a 0.50% increase in the discount rate used to determine the fair value of those assets as of October 1, 2024, would impact the amount of headroom over the carrying value of the following assets as follows (in millions):

Headroom Percentage	Selected Discount Rate		Discount Rate Increase of 0.50%	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Brands				
0% ⁽¹⁾	\$ 280	\$ 280	\$ 1,730	\$ 1,620
Less than 25%	2,580	2,900	1,130	1,290
25 - 50%	1,488	2,160	1,627	2,210
In excess of 50%	14,481	34,490	14,342	31,650

(1) Carrying value at the selected discount rate reflects the results of the annual impairment analysis recognized during the year ended December 31, 2024.

Sensitivity Analysis - Long-Term Growth Rate

For goodwill, holding all other assumptions in the analysis constant, including the discrete period revenue and profit performance assumptions as well as the discount rates, the effect of a 0.50% decrease in the long-term growth rate used to determine the fair value of the reporting units as of October 1, 2024, would result in additional non-cash impairment charges of \$147 million to our U.S. WD reporting unit, but would not change our conclusion on any other reporting units.

For the indefinite-lived priority brand assets quantitatively assessed, holding all other assumptions in the analysis constant, including the discrete period revenue and profit performance assumptions as well as the discount rates, the effect of a 0.50% decrease in the long-term revenue growth rate used to determine the fair value of those assets as of October 1, 2024, would impact the amount of headroom over the carrying value of the following assets as follows (in millions):

Headroom Percentage	Selected Long-Term Growth Rate		Long-Term Growth Rate Decrease of 0.50%	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Brands				
0% ⁽¹⁾	\$ 280	\$ 280	\$ 1,730	\$ 1,660
Less than 25%	2,580	2,900	1,130	1,310
25 - 50%	1,488	2,160	1,627	2,240
In excess of 50%	14,481	34,490	14,342	32,150

(1) Carrying value at the selected long-term growth rate reflects the results of the annual impairment analysis recognized during the year ended December 31, 2024.

Refer to Note 5 of the Notes to our Consolidated Financial Statements for additional information about our impairment assessments.

Revenue Recognition

We recognize revenue when performance obligations under the terms of a contract with the customer are satisfied. Accruals for customer incentives, sales returns, and marketing programs are established for the expected payout based on contractual terms, volume-based metrics, and/or historical trends.

Our customer incentives, sales returns, and marketing accrual methodology contains uncertainties because it requires management to make assumptions and to apply judgment regarding our contractual terms in order to estimate our customer participation and volume performance levels which impact the revenue recognition. Our estimates are based primarily on a combination of known or historical transaction experiences. Differences between estimated revenue and actual revenue are normally insignificant and are recognized into earnings in the period differences are determined.

Additionally, judgment is required to ensure the classification of the spend is correctly recorded as either a reduction from gross sales or advertising and marketing expense, which is a component of our SG&A expenses.

A 10% change in the accrual for our customer incentives, sales returns and marketing programs would have affected our income from operations by \$52 million for the year ended December 31, 2024.

Income Taxes

We establish income tax liabilities to remove some or all of the income tax benefit of any of our income tax positions based upon one of the following:

- the tax position is not “more likely than not” to be sustained,
- the tax position is “more likely than not” to be sustained, but for a lesser amount, or
- the tax position is “more likely than not” to be sustained, but not in the financial period in which the tax position was originally taken.

Our liability for uncertain tax positions contains uncertainties because management is required to make assumptions and to apply judgment to estimate the exposures associated with our various tax positions.

Our income tax returns, like those of most companies, are periodically audited by domestic and foreign tax authorities. These audits include questions regarding our tax positions, including the timing and amount of deductions and the allocation of income among various tax jurisdictions. As these audits progress, events may occur that cause us to change our liability for uncertain tax positions. To the extent we prevail in matters for which a liability for uncertain tax positions has been established, or are required to pay amounts in excess of our established liability, our effective tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement generally would require use of our cash and may result in an increase in our effective tax rate in the period of resolution. A favorable tax settlement may be recognized as a reduction in our effective tax rate in the period of resolution.

Business Combinations

We record acquisitions using the purchase method of accounting. All of the assets acquired and liabilities assumed are recorded at fair value as of the acquisition date. The excess of the purchase price over the estimated fair values of the net tangible and intangible assets acquired is recorded as goodwill.

The application of the purchase method of accounting for business combinations requires management to make significant estimates and assumptions in the determination of the fair value of assets acquired and liabilities assumed, in order to properly allocate purchase price consideration between assets that are depreciated and amortized from goodwill. The fair value assigned to tangible and intangible assets acquired and liabilities assumed are based on management's estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques. Significant assumptions and estimates include, but are not limited to, the cash flows that an asset is expected to generate in the future, the appropriate weighted-average cost of capital, and the cost savings expected to be derived from acquiring an asset, if applicable.

Further, certain of our acquisitions may include other forms of consideration, including mandatorily redeemable liabilities and other earn-out arrangements. As of the acquisition date, we record such consideration, as applicable, at the estimated fair value of the expected future payments associated with the obligation. Any changes to the recorded fair value of the consideration are recognized in earnings in the period in which they occur.

If the actual results differ from the estimates and judgments used in these estimates, the amounts recorded in the financial statements may be exposed to potential impairment of the intangible assets and goodwill, as discussed in *Impairment Assessment of Goodwill and Other Indefinite Lived Intangible Assets* above.

Impairment Assessment of Equity Method Investments Without Readily Determinable Fair Values

Equity method investments are reviewed quarterly to determine whether a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, we evaluate the fair value compared to our carrying value of the investment. For investments in non-publicly traded companies, management's assessment of fair value is based on various valuation methodologies, including the option pricing model when the investment is in a preferred class of security, discounted cash flows, market multiples, and the impact of our contractual terms with the investee, as appropriate. We consider the assumptions that we believe a market participant would use in evaluating estimated future cash flows when employing the discounted cash flow methodologies. The ability to accurately predict future cash flows, especially in emerging and developing markets, may impact the determination of fair value. In the event the fair value of an investment declines below our carrying value, management is required to determine if the decline in fair value is other than temporary. If management determines the decline is other than temporary, an impairment charge is recorded.

Investments in Variable Interest Entities

We hold equity investments in entities that are considered VIEs, including Nutrabolt and Chobani. We would be required to consolidate a VIE for which we are determined to be the primary beneficiary. To determine if we are the primary beneficiary of a VIE, we assess specific criteria and use judgment when determining if we have the power to direct the significant activities of the VIE and the obligation to absorb losses or receive benefits from the VIE that may be significant to the VIE. Factors considered include risk and reward sharing, voting rights, involvement in day-to-day capital and operating decisions, representation on a VIE's governance structure, existence of unilateral kick-out rights exclusive of protective rights or voting rights, and level of economic disproportionality between us and the VIE's other partner(s).

We have determined that we are not the primary beneficiary of any VIEs. Refer to Note 19 of the Notes to our Consolidated Financial Statements for additional information on our investments in VIEs.

EFFECT OF RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 2 of the Notes to our Consolidated Financial Statements for a discussion of recently issued accounting standards and recently adopted provisions of U.S. GAAP.

SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

The Notes are fully and unconditionally guaranteed by certain of our direct and indirect subsidiaries (the "Guarantors"), as defined in the indentures governing the Notes. The Guarantors are 100% owned either directly or indirectly by us and jointly and severally guarantee, subject to the release provisions described below, our obligations under the Notes. None of our subsidiaries organized outside of the U.S., any of the subsidiaries held by Maple Parent Holdings Corp. prior to the DPS Merger, or any of the subsidiaries acquired after the DPS Merger (collectively, the "Non-Guarantors") guarantee the Notes. The subsidiary guarantees with respect to the Notes are subject to release upon the occurrence of certain events, including the sale of all or substantially all of a subsidiary's assets, the release of the subsidiary's guarantee of our other indebtedness, our exercise of the legal defeasance option with respect to the Notes, and the discharge of our obligations under the applicable indenture.

The following schedules present the summarized financial information for Keurig Dr Pepper Inc. (the "Parent") and the Guarantors on a combined basis after intercompany eliminations; the Parent and the Guarantors' amounts due from and amounts due to Non-Guarantors are disclosed separately. The consolidating schedules are provided in accordance with the reporting requirements of Rule 13-01 under SEC Regulation S-X for the issuer and guarantor subsidiaries.

The summarized financial information for the Parent and Guarantors were as follows:

<i>(in millions)</i>	For the Year Ended December 31, 2024	
Net sales	\$	9,720
Gross profit		5,082
Income from operations		600
Net income attributable to KDP		1,441

<i>(in millions)</i>	December 31,	
	2024	2023
Current assets	\$ 2,373	\$ 1,957
Non-current assets	49,827	48,029
Total assets ⁽¹⁾	\$ 52,200	\$ 49,986
Current liabilities	\$ 6,101	\$ 6,749
Non-current liabilities	20,984	16,689
Total liabilities ⁽²⁾	\$ 27,085	\$ 23,438

(1) Includes \$115 million and \$56 million of intercompany receivables due to the Parent and Guarantors from the Non-Guarantors as of December 31, 2024 and December 31, 2023, respectively.

(2) Includes \$1,997 million and \$1,399 million of intercompany payables due to the Non-Guarantors from the Parent and Guarantors as of December 31, 2024 and December 31, 2023, respectively.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks arising from changes in market rates and prices, including movements in foreign currency exchange rates, interest rates, and commodity prices. We regularly enter into derivatives or other financial instruments to hedge or mitigate commercial risks. We do not enter into derivative instruments for speculative purposes. Refer to Note 6 of the Notes to our Consolidated Financial Statements for further information about our derivative instruments.

FOREIGN EXCHANGE RISK

The majority of our net sales, expenses, and capital purchases are transacted in U.S. dollars. However, we have exposure with respect to foreign exchange rate fluctuations. Our primary exposure to foreign exchange rates is the Canadian dollar, the Mexican peso, and the Euro against the U.S. dollar. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains or losses in earnings as incurred.

We use derivative instruments such as foreign exchange forward contracts to manage a portion of our exposure to changes in foreign exchange rates. As of December 31, 2024, we had derivative contracts outstanding with notional values of \$976 million maturing at various dates through September 2026. The fair value of foreign currency derivatives that qualify for hedge accounting resulted in a net unrealized gain of \$41 million as of December 31, 2024, and the impact of a 10% weakening in the U.S. dollar is estimated to decrease the fair value by approximately \$50 million. The fair value of foreign currency derivatives that do not qualify for hedge accounting resulted in a net unrealized gain of \$10 million as of December 31, 2024, and the impact of a 10% weakening in the U.S. dollar is estimated to decrease the fair value by approximately \$38 million. Any increase or decrease in the value of the foreign currency derivatives would have an approximately offsetting change in the underlying hedged risk.

INTEREST RATE RISK

We centrally manage our debt portfolio through the use of interest rate contracts and monitor our mix of fixed-rate and variable-rate debt. As of December 31, 2024, the face value of our fixed-rate debt, excluding lease obligations, was \$12,743 million, and our variable-rate debt was \$2,956 million, inclusive of commercial paper. From time to time, we also enter into interest rate contracts that effectively result in variable-rate interest payments or receipts. These derivative instruments are generally based on SOFR and a credit spread. As of December 31, 2024, all of our outstanding forward starting swaps, with a total notional value of \$1,700 million, are expected to begin such payments or receipts in 2025.

We estimate that the potential impact to our interest rate expense associated with variable rate interest payments resulting from a hypothetical interest rate change of 1%, based on amounts outstanding as of December 31, 2024, would be an increase or decrease of approximately \$47 million. Our estimate of the annual impact to interest expense reflects our assumption that SOFR will not fall below 0%.

COMMODITY RISK

We are subject to market risks with respect to commodities because our ability to recover increased costs through higher pricing may be limited by the competitive environment in which we operate. Our principal commodities risks relate to our purchases of coffee beans, PET, aluminum, diesel fuel, corn (for high fructose corn syrup), apple juice concentrate, sucrose, and natural gas (for use in processing and packaging).

We utilize commodities derivative instruments and supplier pricing agreements to hedge the risk of movements in commodity prices for limited time periods for certain commodities. As of December 31, 2024, we had derivative contracts outstanding with a notional value of \$515 million maturing at various dates through July 2026. The fair market value of these contracts as of December 31, 2024 was a net liability of \$51 million. As of December 31, 2024, a 10% change (up or down) in commodity prices is estimated to increase or decrease the fair value of these derivative instruments by approximately \$51 million. Any increase or decrease in the value of the commodities derivatives instruments would have an approximately offsetting change in the underlying hedged risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

	<u>Page Number</u>
Consolidated Statements of Income	44
Consolidated Statements of Comprehensive Income	45
Consolidated Balance Sheets	46
Consolidated Statements of Cash Flows	47
Consolidated Statements of Changes in Stockholders' Equity	49
Notes to Consolidated Financial Statements	50
1. Business and Basis of Presentation	50
2. Significant Accounting Policies	51
3. Long-Term Obligations and Borrowing Arrangements	63
4. Acquisitions	66
5. Goodwill and Other Intangible Assets	68
6. Derivatives	71
7. Leases	74
8. Segments	76
9. Revenue Recognition	79
10. Earnings per Share	80
11. Employee Benefit Plans	80
12. Stock-Based Compensation	85
13. Investments	87
14. Income Taxes	88
15. Accumulated Other Comprehensive Income (Loss)	91
16. Property, Plant, and Equipment	92
17. Other Financial Information	93
18. Commitments and Contingencies	96
19. Transactions with Variable Interest Entities	97
20. Restructuring and Integration Costs	99
21. Related Parties	100
22. Subsequent Events	101
Reports of Independent Registered Accounting Firm (PCAOB ID No. 34)	102

KEURIG DR PEPPER INC.
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2024	2023	2022
<i>(in millions, except per share data)</i>			
Net sales	\$ 15,351	\$ 14,814	\$ 14,057
Cost of sales	6,822	6,734	6,734
Gross profit	8,529	8,080	7,323
Selling, general, and administrative expenses	5,013	4,912	4,645
Impairment of goodwill	306	—	—
Impairment of other intangible assets	412	2	477
Gain on litigation settlement	—	—	(299)
Other operating expense (income), net	207	(26)	(105)
Income from operations	2,591	3,192	2,605
Interest expense, net	735	496	693
Loss on early extinguishment of debt	—	—	217
Gain on sale of equity method investment	—	—	(50)
Impairment of investments and note receivable	2	—	12
Other (income) expense, net	(60)	(61)	14
Income before provision for income taxes	1,914	2,757	1,719
Provision for income taxes	473	576	284
Net income including non-controlling interest	1,441	2,181	1,435
Less: Net loss attributable to non-controlling interest	—	—	(1)
Net income	\$ 1,441	\$ 2,181	\$ 1,436
Earnings per common share:			
Basic	\$ 1.06	\$ 1.56	\$ 1.01
Diluted	1.05	1.55	1.01
Weighted average common shares outstanding:			
Basic	1,362.2	1,399.3	1,416.8
Diluted	1,368.3	1,408.4	1,428.5

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

KEURIG DR PEPPER INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(in millions)</i>	Year Ended December 31,		
	2024	2023	2022
Net income including non-controlling interest	\$ 1,441	\$ 2,181	\$ 1,435
Other comprehensive income			
Foreign currency translation adjustments	(612)	288	(167)
Net change in pension and post-retirement liability, net of tax of \$—, \$2, and \$3, respectively	—	(4)	(6)
Net change in cash flow hedges, net of tax of \$(24), \$29, and \$(87), respectively	21	(98)	328
Total other comprehensive (loss) income	(591)	186	155
Comprehensive income	850	2,367	1,590
Less: Comprehensive income attributable to non-controlling interest	—	—	—
Comprehensive income attributable to KDP	\$ 850	\$ 2,367	\$ 1,590

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

**KEURIG DR PEPPER INC.
CONSOLIDATED BALANCE SHEETS**

(in millions, except share and per share data)	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 510	\$ 267
Restricted cash and restricted cash equivalents	80	—
Trade accounts receivable, net	1,502	1,368
Inventories	1,299	1,142
Prepaid expenses and other current assets	606	598
Total current assets	3,997	3,375
Property, plant, and equipment, net	2,964	2,699
Investments in unconsolidated affiliates	1,543	1,387
Goodwill	20,053	20,202
Other intangible assets, net	23,634	23,287
Other non-current assets	1,200	1,149
Deferred tax assets	39	31
Total assets	\$ 53,430	\$ 52,130
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,985	\$ 3,597
Accrued expenses	1,584	1,242
Structured payables	41	117
Short-term borrowings and current portion of long-term obligations	2,642	3,246
Other current liabilities	835	714
Total current liabilities	8,087	8,916
Long-term obligations	12,912	9,945
Deferred tax liabilities	5,435	5,760
Other non-current liabilities	2,753	1,833
Total liabilities	29,187	26,454
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 15,000,000 shares authorized, no shares issued	—	—
Common stock, \$0.01 par value, 2,000,000,000 shares authorized, 1,356,664,609 and 1,390,446,043 shares issued and outstanding as of December 31, 2024 and 2023, respectively	14	14
Additional paid-in capital	19,712	20,788
Retained earnings	4,793	4,559
Accumulated other comprehensive (loss) income	(276)	315
Total stockholders' equity	24,243	25,676
Total liabilities and stockholders' equity	\$ 53,430	\$ 52,130

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

KEURIG DR PEPPER INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	Year Ended December 31,		
	2024	2023	2022
Operating activities:			
Net income	\$ 1,441	\$ 2,181	\$ 1,436
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	422	402	399
Amortization of intangibles	133	137	138
Other amortization expense	178	181	172
Provision for sales returns	70	61	61
Deferred income taxes	(254)	(4)	(289)
Employee stock-based compensation expense	98	116	52
Loss on early extinguishment of debt	—	—	217
Gain on sale of equity method investment	—	—	(50)
Loss (gain) on disposal of property, plant, and equipment	16	(1)	(80)
Unrealized loss (gain) on foreign currency	33	(13)	26
Unrealized loss on derivatives	91	31	383
Settlements of interest rate contracts	—	54	125
Equity in (earnings) loss of unconsolidated affiliates	(42)	(33)	5
Earned equity from distribution arrangements	(94)	(44)	—
Impairment of goodwill	306	—	—
Impairment of intangible assets	412	2	477
Impairment of investments and note receivable of unconsolidated affiliate	2	—	12
Other, net	(2)	6	28
Changes in assets and liabilities, excluding the effects of business acquisitions:			
Trade accounts receivable	(209)	70	(398)
Inventories	(92)	182	(426)
Income taxes receivable and payables, net	133	(199)	(105)
Other current and non-current assets	(227)	(192)	(456)
Accounts payable and accrued expenses	(196)	(1,618)	903
Other current and non-current liabilities	—	10	207
Net change in operating assets and liabilities	(591)	(1,747)	(275)
Net cash provided by operating activities	2,219	1,329	2,837
Investing activities:			
Acquisitions of businesses, net of cash acquired	(1,000)	—	—
Proceeds from sale of investment in unconsolidated affiliates	—	—	50
Purchases of property, plant, and equipment	(563)	(425)	(353)
Proceeds from sales of property, plant, and equipment	4	9	168
Purchases of intangibles	(59)	(56)	(26)
Issuance of related party note receivable	—	—	(18)
Investments in unconsolidated affiliates	(7)	(316)	(962)
Other, net	11	4	6
Net cash used in investing activities	\$ (1,614)	\$ (784)	\$ (1,135)

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

KEURIG DR PEPPER INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Continued)

(in millions)	Year Ended December 31,		
	2024	2023	2022
Financing activities:			
Proceeds from issuance of Notes	\$ 3,000	\$ —	\$ 3,000
Repayment of Notes	(1,150)	(500)	(3,365)
Net (repayment) issuance of commercial paper	(480)	1,697	250
Proceeds from term loan	990	—	—
Proceeds from structured payables	49	130	155
Payments on structured payables	(129)	(148)	(158)
Cash dividends paid	(1,194)	(1,142)	(1,080)
Repurchases of common stock	(1,110)	(706)	(379)
Tax withholdings related to net share settlements	(61)	(62)	(15)
Payments on finance leases	(115)	(95)	(90)
Other, net	(23)	(6)	(46)
Net cash used in financing activities	(223)	(832)	(1,728)
Cash, cash equivalents, restricted cash, and restricted cash equivalents:			
Net change from operating, investing and financing activities	382	(287)	(26)
Effect of exchange rate changes	(41)	19	(7)
Beginning balance	267	535	568
Ending balance	\$ 608	\$ 267	\$ 535
Supplemental cash flow disclosures of non-cash investing and financing activities:			
Capital expenditures included in accounts payable and accrued expenses	\$ 220	\$ 276	\$ 213
Earned equity from distribution arrangements	94	44	—
Equity received in exchange for modification of related party contract	19	—	—
Acquisitions of businesses	98	—	—
Transaction costs included in accounts payable and accrued expenses	—	6	8
Conversion of note receivable to equity method investment	—	—	6
Non-cash purchases of intangibles	—	—	19
Dividends declared but not yet paid	312	299	281
Mandatory redemption liability	689	—	—
Accrued excise tax on net share repurchases	9	5	—
Supplemental cash flow disclosures:			
Cash paid for interest	494	443	363
Cash paid for income taxes	331	507	686

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

KEURIG DR PEPPER INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

<i>(in millions, except per share data)</i>	Common Stock Issued		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Amount						
Balance as of December 31, 2021	1,418.1	\$ 14	\$ 21,785	\$ 3,199	\$ (26)	\$ 24,972	\$ —	\$ 24,972
Net income	—	—	—	1,436	—	1,436	(1)	1,435
Other comprehensive income	—	—	—	—	155	155	—	155
Dividends declared, \$0.775 per share	—	—	—	(1,096)	—	(1,096)	—	(1,096)
Repurchases of common stock	(10.6)	—	(379)	—	—	(379)	—	(379)
Shares issued under employee stock-based compensation plans and other	0.9	—	—	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(15)	—	—	(15)	—	(15)
Stock-based compensation and stock options exercised	—	—	53	—	—	53	—	53
Balance as of December 31, 2022	1,408.4	14	21,444	3,539	129	25,126	(1)	25,125
Net income	—	—	—	2,181	—	2,181	—	2,181
Other comprehensive income	—	—	—	—	186	186	—	186
Dividends declared, \$0.83 per share	—	—	—	(1,160)	—	(1,160)	—	(1,160)
Repurchases of common stock, inclusive of excise tax obligation	(21.7)	—	(711)	—	—	(711)	—	(711)
Shares issued under employee stock-based compensation plans and other	3.7	—	—	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(62)	—	—	(62)	—	(62)
Stock-based compensation and stock options exercised	—	—	117	—	—	117	—	117
Non-controlling interest surrender of shares	—	—	—	(1)	—	(1)	1	—
Balance as of December 31, 2023	1,390.4	14	20,788	4,559	315	25,676	—	25,676
Net income	—	—	—	1,441	—	1,441	—	1,441
Other comprehensive loss	—	—	—	—	(591)	(591)	—	(591)
Dividends declared, \$0.89 per share	—	—	—	(1,207)	—	(1,207)	—	(1,207)
Repurchases of common stock, inclusive of excise tax obligation	(38.0)	—	(1,114)	—	—	(1,114)	—	(1,114)
Shares issued under employee stock-based compensation plans and other	4.3	—	—	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(61)	—	—	(61)	—	(61)
Stock-based compensation and stock options exercised	—	—	99	—	—	99	—	99
Balance as of December 31, 2024	1,356.7	\$ 14	\$ 19,712	\$ 4,793	\$ (276)	\$ 24,243	\$ —	\$ 24,243

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

KEURIG DR PEPPER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and Basis of Presentation

ORGANIZATION AND NATURE OF OPERATIONS

Keurig Dr Pepper Inc. is a leading coffee and beverage company in North America that manufactures, markets, distributes, and sells hot and cold beverages and single serve brewing systems.

References in this Annual Report on Form 10-K to "KDP", "we", "us", and "our" refer to Keurig Dr Pepper Inc. and all wholly-owned subsidiaries included in the consolidated financial statements. Definitions of terms used in this Annual Report on Form 10-K are included within the Master Glossary.

This Annual Report on Form 10-K refers to some of our owned or licensed trademarks, trade names, and service marks, which are referred to as our brands. All of the product names included herein are either KDP registered trademarks or those of our licensors.

BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP.

FISCAL YEAR END

Our fiscal year end is December 31, and our interim fiscal quarters are March 31, June 30, and September 30. KDP's significant subsidiary, Maple Parent Holdings Corp., has a fiscal year end of the last Saturday in December, and its interim fiscal quarters end every thirteenth Saturday. The fiscal year for Maple Parent Holdings Corp. includes 52 weeks for the years ended December 31, 2024 and 2023 and 53 weeks for the year ended December 31, 2022. We do not adjust for the difference in fiscal year, as the difference is within the range permitted by the Exchange Act.

PRINCIPLES OF CONSOLIDATION

We consolidate all wholly owned subsidiaries.

We consolidate investments in companies in which we hold the majority interest. In these cases, the third party equity interest is referred to as non-controlling interest. Generally, non-controlling interests are presented as a separate component within equity in the Consolidated Balance Sheets, and net earnings attributable to the non-controlling interests are presented separately in the Consolidated Statements of Income. However, if the investment agreement contains a mandatorily redeemable financial instrument for the non-controlling interests, such mandatorily redeemable interests are recorded as a liability, rather than equity, in the Consolidated Balance Sheets, and no earnings are attributable to the non-controlling interests.

We would be required to consolidate VIEs for which KDP has been determined to be the primary beneficiary. To determine if we are the primary beneficiary, we assess specific criteria and use judgment when determining if we have the power to direct the significant activities of the VIE and the obligation to absorb losses or receive benefits from the VIE that may be significant to the VIE. Factors considered include risk and reward sharing, voting rights, involvement in day-to-day capital and operating decisions, representation on a VIE's governance structure, existence of unilateral kick-out rights exclusive of protective rights or voting rights, and level of economic disproportionality between KDP and the VIE's other partner(s). We have determined that we are not the primary beneficiary of any VIEs. However, future events may require us to consolidate VIEs if we become the primary beneficiary.

We use the equity method to account for investments in companies if the investment provides us with the ability to exercise significant influence over operating and financial policies of the investee. Consolidated net income includes KDP's proportionate share of the net income or loss of these companies. Judgment regarding the level of influence over each equity method investment includes considering key factors such as ownership interest, representation on the Board or similar governing body, participation in policy-making decisions, and material intercompany transactions.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

We eliminate from our financial results all intercompany transactions between entities included in the consolidated financial statements.

RECLASSIFICATIONS

We reclassified amounts in the Financing Activities section of the consolidated Statement of Cash Flows for the years ended December 31, 2023 and 2022 in order to conform to current year presentation, as maturities for our commercial paper program in both periods are 90 days or less.

(in millions)	Prior Presentation	Year Ended December 31,	
		2023	2022
Net (repayment) issuance of commercial paper	Proceeds from issuance of commercial paper	\$ 36,940	\$ 1,198
Net (repayment) issuance of commercial paper	Repayments of commercial paper	(35,243)	(948)

2. Significant Accounting Policies

USE OF ESTIMATES

The process of preparing our consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and judgments that affect reported amounts. These estimates and judgments are based on historical experience, future expectations, and other factors and assumptions we believe to be reasonable under the circumstances. These estimates and judgments are reviewed on an ongoing basis and are revised when necessary. Changes in estimates are recorded in the period of change. Actual amounts may differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Based upon the transparency of inputs to the valuation of an asset or liability, a three-level hierarchy has been established for fair value measurements. The three-level hierarchy for disclosure of fair value measurements is as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 - Valuations with one or more unobservable significant inputs that reflect the reporting entity's own assumptions.

The fair value of Notes and marketable securities as of December 31, 2024 and 2023 are based on quoted market prices for publicly traded securities.

We estimate fair values of financial instruments measured at fair value in the consolidated financial statements on a recurring basis to ensure they are calculated based on market rates to settle the instruments. These values represent the estimated amounts we would pay or receive to terminate agreements, taking into consideration current market rates and creditworthiness.

As of December 31, 2023, we did not have any assets or liabilities measured on a recurring basis without observable market values that would require a high level of judgment to determine fair value (Level 3). As of December 31, 2024, the mandatory redemption liability for GHOST is a liability measured on a recurring basis that is considered Level 3 within the fair value hierarchy. Refer to the *Mandatory Redemption Liability* section below for further information.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Transfers between levels are recognized at the end of each reporting period. There were no transfers of financial instruments between the three levels of fair value hierarchy during the years ended December 31, 2024, 2023, and 2022.

Acquisitions

We evaluate the facts and circumstances of each acquisition to determine whether the transaction should be accounted for as an asset acquisition or a business combination.

Asset Acquisitions

When substantially all of the fair value of the assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the transaction is accounted for as an asset acquisition. Direct transaction costs associated with asset acquisitions are capitalized.

Business Combinations

We include the results of operations of the acquired business in the consolidated financial statements prospectively from the acquisition date. We allocate the purchase consideration to the assets acquired and liabilities assumed in the acquired entity generally based on their fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed in the acquired entity is recorded as goodwill. During the measurement period, we will continue to obtain information to assist in determining the fair value of net assets acquired, which may differ from these preliminary estimates. Measurement period adjustments, if applicable, will be applied in the reporting period in which the adjustment amounts are determined. Certain of our acquisitions may include other forms of consideration, including mandatorily redeemable liabilities and other earn-out arrangements. As of the acquisition date, we record such consideration, as applicable, at the estimated fair value of the expected future payments associated with the obligation. Any changes to the recorded fair value of the consideration are recognized in earnings in the period in which they occur.

Transaction expenses are recognized separately from the business combination and are expensed as incurred. These charges primarily include direct third-party professional fees for advisory and consulting services and other incremental costs related to the acquisition.

Cash and Cash Equivalents

Cash and cash equivalents include cash and investments in short-term, highly liquid securities, with original maturities of three months or less.

We are exposed to potential risks associated with its cash and cash equivalents. We place our cash and cash equivalents with high credit quality financial institutions. Deposits with these financial institutions may exceed the amount of insurance provided; however, these deposits typically are redeemable upon demand and, therefore, we believe the financial risks associated with these financial instruments are minimal.

Trade Accounts Receivable and Allowance for Expected Credit Losses

Trade accounts receivable are recorded at the invoiced amount and do not bear interest.

We are exposed to potential credit risks associated with our accounts receivable, as we generally do not require collateral on our accounts receivable. We determine the required allowance for expected credit losses using information such as customer credit history and financial condition, industry and market segment information, credit reports, and economic trends and conditions. Allowances can be affected by changes in the industry, customer credit issues or customer bankruptcies, or expectations of any such events in a future period when reasonable and supportable. Historical information is utilized beyond reasonable and supportable forecast periods. Amounts are charged against the allowance when it is determined that expected credit losses may occur.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Activity in the allowance for expected credit loss accounts was as follows:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Balance, beginning of the period	\$ 10	\$ 9	\$ 7
Charges to (reversals of) bad debt expense	—	3	3
Write-offs and adjustments	(1)	(2)	(1)
Balance, end of the period	<u>\$ 9</u>	<u>\$ 10</u>	<u>\$ 9</u>

Concentration of credit risk with respect to accounts receivable is limited due to the large number of customers in various channels comprising our customer base. Walmart is a major customer as described in Note 8. As of December 31, 2024 and 2023, Walmart accounted for approximately \$205 million and \$204 million of trade receivables, respectively, which exceeded 10% of KDP's total trade accounts receivable.

Inventories

Inventories consist of raw materials, work in process, and finished goods. Raw materials include various commodity costs for our ingredients and materials sourced from various providers. The costs of finished goods inventories manufactured by us include raw materials, direct labor, and indirect production and overhead costs. Finished goods also include the purchases of brewing systems and certain beverages from third-party manufacturers. Inventories are stated at the lower of cost or net realizable value. Cost is measured using standard cost, which approximates first-in, first-out. We regularly review whether the net realizable value of inventory is lower than its carrying value. If the valuation shows that the net realizable value is lower than the carrying value, we take a charge to cost of sales and directly reduce the carrying value of the inventory.

We estimate any required write downs for inventory obsolescence by examining inventories on a quarterly basis to determine if there are indicators that the carrying values exceed net realizable value. Indicators that could result in additional inventory write downs include age of inventory, damaged inventory, slow moving products, and products at the end of their life cycles. While management believes that inventory is appropriately stated, judgment is involved in determining the net realizable value of inventory. Adjustments for excess and obsolete inventories are based on an assessment of slow-moving and obsolete inventories, determined by historical usage and demand.

Property, Plant, and Equipment, Net

Property, plant, and equipment is stated at cost plus capitalized interest on borrowings during the actual construction period of major capital projects, net of accumulated depreciation. Significant improvements which substantially extend the useful lives of assets are capitalized, and expenditures for repairs and maintenance which do not improve or extend the life of the assets are expensed as incurred. We capitalize certain computer software and software development costs incurred in connection with developing or obtaining computer software for internal use, which are included in property, plant, and equipment. When property, plant, and equipment is sold, the costs and the related accumulated depreciation are removed from the accounts, and any net gain or loss is recorded in Other operating expense (income), net in the Consolidated Statements of Income.

For financial reporting purposes, depreciation is computed on the straight-line method over the estimated useful asset lives as follows:

Type of Asset	Useful Life	
Buildings and improvements	3 to	40 years
Machinery and equipment	2 to	20 years
Cold drink equipment	2 to	7 years
Computer software	2 to	8 years

Leasehold improvements, which are primarily considered building improvements, are depreciated over the shorter of the estimated useful life of the assets or the lease term. Estimated useful lives are periodically reviewed and, when warranted, are updated.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

We periodically review long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. In order to assess recoverability, we compare the estimated undiscounted future pre-tax cash flows from the use of the group of assets, as defined, to the carrying amount of such assets. Measurement of an impairment loss is based on the excess of the carrying amount of the group of assets over the long-lived asset's fair value, and any impairment loss is recorded in Other operating expense (income), net, in the Consolidated Statements of Income. For the years ended December 31, 2024, 2023, and 2022, no impairment loss was recorded related to these assets.

Leases

We lease certain facilities and machinery and equipment, including fleet. These leases expire at various dates through 2044. Some lease agreements contain standard renewal provisions that allow us to renew the lease at rates equivalent to fair market value at the end of the lease term. Our lease agreements do not contain any material restrictive covenants. Certain leases of manufacturing and distribution properties and our Frisco headquarters contain an RVG at the end of the term. Refer to Note 19 for additional information about RVGs.

Operating leases are included within other non-current assets, other current liabilities, and other non-current liabilities within the Consolidated Balance Sheets. Finance leases are included within Property, plant, and equipment, net, other current liabilities, and other non-current liabilities. Leases with an initial term of 12 months or less are not recognized on the Consolidated Balance Sheets.

Right of use assets and lease liabilities are recognized in the Consolidated Balance Sheets at the present value of future minimum lease payments over the lease term on the commencement date. When the rate implicit in the lease is not provided to us, we use our incremental borrowing rate based on information available at the commencement date to determine the present value of future minimum lease payments. Our incremental borrowing rate is determined using a portfolio of secured borrowing rates commensurate with the term of the lease and is reassessed on a quarterly basis.

We have lease agreements with lease and non-lease components, which are generally accounted for as a single lease component.

Sale-and-leaseback transactions occur when we sell assets to a third-party and subsequently lease them back. The resulting leases that qualify for sale-and-leaseback accounting are evaluated and accounted for as operating leases. A transaction that does not qualify for sale-and-leaseback accounting as a result of finance lease classification or the failure to meet certain revenue recognition criteria is accounted for as a financing transaction. For a financing transaction, we retain the assets sold within Property, plant, and equipment, net and record a financing obligation equal to the amount of cash proceeds received. Rental payments under such transactions are recognized as a reduction of the financing obligation and as interest expense using an effective interest method.

Investments

Deferred Compensation Plan

We have a U.S. non-qualified defined contribution plan. Contributions under the non-qualified defined contribution plan are maintained in a rabbi trust and are not readily available to us. The rabbi trust consists of readily marketable equity securities, which are included in Other non-current assets in the Consolidated Balance Sheets. Gains or losses from such investments are charged to Other (income) expense, net in the Consolidated Statements of Income.

The corresponding deferred compensation liability is included in Other non-current liabilities in the Consolidated Balance Sheets, with changes in this obligation recognized as adjustments to compensation expense and recorded in SG&A expenses.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Investments in Other Equity Securities

We consolidate investments in companies in which we hold the majority interest. In these cases, the third party equity interest is referred to as non-controlling interest. Generally, non-controlling interests are presented as a separate component within equity in the Consolidated Balance Sheets, and net earnings attributable to the non-controlling interests are presented separately in the Consolidated Statements of Income. However, if the investment agreement contains a mandatorily redeemable financial instrument for the non-controlling interests, such mandatorily redeemable interests are recorded as a liability, rather than equity, in the Consolidated Balance Sheets, and no earnings are attributable to the non-controlling interests.

On July 31, 2023, the remaining shareholders of Revive surrendered their ownership interests. As a result, KDP holds 100% ownership interest in Revive and has eliminated the Non-controlling interest component within the Consolidated Statements of Changes in Stockholders' Equity. As of December 31, 2024, we hold a majority interest in GHOST. This investment contains a mandatorily redeemable financial instrument for the non-controlling interests. Refer to Note 4 for further information about the GHOST Transactions.

We also hold investments in certain entities which are accounted for as equity method investments, equity securities with readily determinable fair value, or equity securities without readily determinable value.

The companies over which we exert significant influence, but do not control the financial and operating decisions, are accounted for as equity method investments. Equity method investments are reported at cost, which includes third-party transaction costs, and are adjusted each period for dividends paid, if any, as well as our share of the investee's net income or loss, unless the investment agreement indicates an alternative allocation of earnings or losses. Our share of the net income or loss resulting from these investments is recorded in Other (income) expense, net in the Consolidated Statements of Income. To the extent we earn additional equity in these investments from achieving certain contractual milestones in our distribution activities, the earned equity is recorded as a reduction in Cost of sales and included in the Earned equity from distribution arrangements line on the Consolidated Statements of Cash Flows. Any gains and losses resulting from the sale of these investments are recorded in Gain on sale of equity method investment. The carrying value of our equity method investments is reported in Investments in unconsolidated affiliates in the Consolidated Balance Sheets. Distributions received from equity method investments are classified using the cumulative earnings approach on the Consolidated Statements of Cash Flows.

Investments with readily determinable fair values for which we do not have the ability to exercise significant influence are measured at fair value and reported in Other non-current assets in the Consolidated Balance Sheets. As of December 31, 2024 and 2023, all such investments were categorized as Level 1. Unrealized gains and losses on these investments are recorded in Other (income) expense, net in the Consolidated Statements of Income.

Investments without readily determinable fair values for which we do not have the ability to exercise significant influence are accounted for at cost and reported in Other non-current assets in the Consolidated Balance Sheets. Any gains or losses resulting from the sales of these investments are recorded in Other operating expense (income), net, in the Consolidated Statements of Income.

Our equity method investments in certain privately held entities do not have readily determinable fair values and are periodically evaluated for impairment. An impairment loss would be recorded whenever a decline in value of an investment below its carrying amount is determined to be other than temporary. We recorded impairment charges of \$2 million and \$12 million for the years ended December 31, 2024 and 2022, respectively, on the Impairment of investments and note receivable line in the Consolidated Statements of Income. No impairment charges were recorded for the year ended December 31, 2023.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Goodwill and Other Intangible Assets

Other intangible assets are classified into two categories:

- intangible assets with definite lives subject to amortization, and
- intangible assets with indefinite lives not subject to amortization.

The majority of the intangible asset balance is made up of brands which we have determined to have indefinite useful lives. In arriving at the conclusion that a brand has an indefinite useful life, we review factors such as size, diversification, and market share of each brand. We expect to acquire, hold, and support brands for an indefinite period through consumer marketing and promotional support. We also consider factors such as our ability to continue to protect the legal rights that arise from these intangible assets indefinitely or the absence of any regulatory, economic, or competitive factors that could truncate the life of these intangible assets. If the criteria are not met, the brand is considered to have a finite useful life.

Identifiable intangible assets deemed to have determinable finite useful lives are amortized on a straight-line basis over the period of which the expected economic benefit is derived. Amortization expense is recorded in Selling, general, and administrative expenses in the Consolidated Statements of Income. The estimated useful lives of intangible assets with definite lives are as follows:

Type of Asset	Useful Life
Acquired technology	20 years
Brands	5 years
Contractual arrangements	10 to 20 years
Customer relationships	10 to 40 years
Distribution rights	4 to 10 years
Trade names	10 years

For intangible assets with definite lives, tests for impairment are performed if conditions exist that indicate the carrying value may not be recoverable.

For goodwill and indefinite-lived intangible assets, we perform quarterly analyses to evaluate whether any triggering events have occurred which may indicate that the carrying amount of an asset may not be recoverable. We also conduct tests for impairment annually on the first day of the fourth quarter, or more frequently if events or circumstances indicate the carrying amount may not be recoverable.

For both goodwill and other indefinite lived intangible assets, we have the option to first assess qualitative factors to determine whether the fair value of either the reporting unit or indefinite lived intangible asset is "more likely than not" less than its carrying value, also known as a Step 0 analysis. When performing a quantitative, or Step 1, analysis, we use the income approach, or in some cases a combination of income and market based approaches, to determine the fair value of our assets, as well as an overall consideration of market capitalization and enterprise value.

The tests for impairment include significant judgment in estimating the fair value of reporting units and intangible assets. Management's estimates of fair value, which fall under Level 3 and are non-recurring, are based on historical and forecasted revenues and profit performance and discount rates. Fair value is based on what the reporting units and intangible assets would be worth to a third party market participant. Discount rates are based on a weighted average cost of equity and cost of debt, adjusted with various risk premiums.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Goodwill is assigned to reporting units for purposes of impairment testing. A reporting unit is the same as an operating segment or one level below an operating segment. As of October 1, 2024, KDP's reporting units were as follows:

Reportable Segments	Reporting Units
U.S. Refreshment Beverages	U.S. Beverage Concentrates
	U.S. WD
	DSD
U.S. Coffee	U.S. Coffee
International	Canada Beverage Concentrates
	Canada WD
	Canada Coffee
	Latin America Beverages

If the carrying value of the reporting unit or intangible asset exceeds its fair value, an impairment charge will be recorded in current earnings for the difference up to the carrying value of the goodwill or intangible asset recorded. Refer to Note 5 for additional information.

Capitalized Customer Incentive Programs

KDP provides support to certain customers to cover various programs and initiatives to increase net sales, including contributions to customers or vendors for cold drink equipment used to market and sell our products. These programs and initiatives generally directly benefit KDP over a period of time. Accordingly, costs of these programs and initiatives are recorded in Prepaid expenses and other current assets and Other non-current assets in the Consolidated Balance Sheets. Refer to Note 17 for additional information. The costs for these programs are amortized over the period to be directly benefited based upon a methodology consistent with our contractual rights under these arrangements.

Accounts Payable

We have agreements with third party administrators which allow participating suppliers to track payment obligations from KDP, and, if voluntarily elected by the supplier, to sell payment obligations from KDP to financial institutions. Suppliers can sell one or more of KDP's payment obligations at their sole discretion, and the rights and obligations of KDP to its suppliers are not impacted. KDP has no economic interest in a supplier's decision to enter into these agreements and no direct financial relationship with the financial institutions. KDP's obligations to its suppliers, including amounts due and scheduled payment terms, are not impacted.

The table below summarizes activity in our outstanding obligations under supplier financing arrangements, which are confirmed as valid and included in accounts payable:

<i>(in millions)</i>		For the Year Ended December 31, 2024
Balance as of December 31, 2023	\$	2,389
Additions		2,999
Settlements		(3,639)
Effect of exchange rate changes		(9)
Balance as of December 31, 2024	\$	1,740

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Structured Payables

We have entered into an agreement with a supply chain payment processing intermediary, for the intermediary to act as a virtual credit card sponsor, whereby the card sponsor pays amounts on behalf of KDP and sells the amounts due from KDP to a participating financial institution. The card sponsor then bills KDP the original payment amount, effectively financing the transaction. The agreement permits us to utilize the third party and participating financial institutions to make a broad range of payments, including commercial payables to suppliers, business acquisitions, purchases of property, plant, and equipment, and employee-related payments.

Additionally, we have commercial arrangements with suppliers who use third party administrators to sell payment obligations from KDP to financial institutions. We evaluate these commercial arrangements with suppliers to determine if they are more representative of debt or accounts payable classification. If we determine these commercial arrangements are more representative of a financing transaction, then we record those payment obligations as structured payables.

Structured payables have equal priority with accounts payable and are treated as non-recourse obligations. We record interest for the period the structured payables obligation is outstanding and reflect the proceeds and payments related to these transactions as a financing activity on the Consolidated Statements of Cash Flows.

Mandatory Redemption Liability

Certain of our acquisitions may include other forms of consideration, including mandatorily redeemable liabilities and other earn-out arrangements. As of the acquisition date, we record such consideration, as applicable, at the estimated fair value of the expected future payments associated with the obligation. Any changes to the recorded fair value of the consideration are recognized in earnings in the period in which they occur.

Subsequent to the date of acquisition, if future payments are expected to differ from our estimate as of the date of acquisition, any related fair value adjustments are recognized in the period that such expectation is considered probable. Changes in the fair value of payments are recorded within Other nonoperating (income) expense, net, in the Consolidated Statements of Operations.

For the year ended December 31, 2024, the fair value of our mandatory redemption liability for Ghost was estimated using the Monte Carlo simulation method, which incorporates significant inputs not observable in the market (Level 3 inputs) including forecasted EBITDA expectations, adjusting for market risks and volatility, calculating redemption prices, discounting to present terms with the cost of debt, and averaging results across scenarios to determine fair value, incorporating the market price of risk and volatility estimates from similar companies. Mandatory redemption liabilities are included within Other non-current liabilities within the Consolidated Balance Sheets. Refer to Note 17 for additional information.

Pension and Post-retirement Medical Benefits

KDP has U.S. and foreign pension and PRMB plans which provide benefits to a defined group of employees who satisfy age and length of service requirements at the discretion of KDP. As of December 31, 2024, KDP has several stand-alone non-contributory defined benefit plans and PRMB plans. Depending on the plan, pension and PRMB benefits are based on a combination of factors, which may include salary, age, and years of service.

Employee pension and PRMB plan obligations and the associated expense included in the consolidated financial statements are determined from actuarial analyses based on plan assumptions, employee demographic data, years of service, compensation, benefits and claims paid, and employer contributions. Non-cash settlement charges occur when the total amount of lump sum payments made to participants of various U.S. defined pension plans exceed the estimated annual interest and service costs.

The components of net periodic benefit cost other than the service cost component are included in Other (income) expense, net, in the Consolidated Statements of Income. The service cost component is included in either Cost of sales or SG&A expenses, depending on the classification of the employee's other compensation costs.

The objective with respect to the funding of our pension plans is to provide adequate assets for the payment of future benefits. Pursuant to this objective, KDP will fund the pension plans as required by governmental regulations and may consider discretionary contributions as conditions warrant.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

KDP participates in several multi-employer pension plans and makes contributions to those plans, which are recorded in either Cost of sales or SG&A expenses, depending on the classification of the employee's other compensation costs.

Risk Management Programs

We retain selected levels of property, casualty, workers' compensation, health, cyber, and other business risks. Many of these risks are covered under conventional insurance and reinsurance programs with deductibles or self-insured retentions. Accrued liabilities related to the retained casualty and health risks are calculated based on loss experience and development factors, which contemplate a number of variables including claim history and expected trends, and are recorded in Other current liabilities and Other non-current liabilities in the Consolidated Balance Sheets.

Income Taxes

Income taxes are accounted for using the asset and liability approach, which involves determining the temporary differences between assets and liabilities recognized for financial reporting and the corresponding amounts recognized for tax purposes and computing the tax-related carryforwards at the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. The resulting amounts are deferred tax assets or liabilities. The total of taxes currently payable per the tax return, the deferred tax expense or benefit, and the impact of uncertain tax positions represents the income tax expense or benefit for the year for financial reporting purposes.

We periodically assess the likelihood of realizing our deferred tax assets based on the amount that we believe is more likely than not to be realized. We base our judgment of the recoverability of deferred tax assets primarily on historical earnings, our estimate of current and expected future earnings, and prudent and feasible tax planning strategies.

We establish income tax liabilities to remove some or all of the income tax benefit of any of our income tax positions at the time we determine that the positions become uncertain based upon one of the following: (1) the tax position is not "more likely than not" to be sustained, (2) the tax position is "more likely than not" to be sustained, but for a lesser amount, or (3) the tax position is "more likely than not" to be sustained, but not in the financial period in which the tax position was originally taken. The evaluation of whether or not a tax position is uncertain is based on the following: (1) we presume the tax position will be examined by the relevant taxing authority such as the IRS that has full knowledge of all relevant information, (2) the technical merits of a tax position are derived from authorities such as legislation and statutes, legislative intent, regulations, rulings, and case law, and their applicability to the facts and circumstances of the tax position, and (3) each tax position is evaluated without considerations of the possibility of offset or aggregation with other tax positions taken. We adjust these income tax liabilities when our judgment changes as a result of new information. Any change will impact income tax expense in the period in which such determination is made.

Derivative Instruments

KDP is exposed to market risks arising from adverse changes in interest rates, commodity prices, and FX rates. We manage these risks through a variety of strategies, including the use of interest rate contracts, FX forward contracts, commodity forward, future, swap and option contracts, and supplier pricing agreements. We do not hold or issue derivative financial instruments for trading or speculative purposes.

All derivative instruments are recorded on a gross basis, including those subject to master netting arrangements.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

We formally designate and account for certain foreign exchange forward contracts and interest rate contracts that meet established accounting criteria under U.S. GAAP as cash flow hedges. For such contracts, the effective portion of the gain or loss on the derivative instruments is recorded, net of applicable taxes, in AOCI. When net income is affected by the variability of the underlying transaction, the applicable offsetting amount of the gain or loss from the derivative instrument deferred in AOCI is reclassified to net income. Cash flows from derivative instruments designated in a qualifying hedging relationship are classified in the same category as the cash flows from the underlying hedged items. If a cash flow hedge were to cease to qualify for hedge accounting, or were terminated, the derivatives would continue to be carried on the balance sheet at fair value until settled and hedge accounting would be discontinued prospectively. If the underlying hedged transaction ceases to exist, any associated amounts reported in AOCI would be reclassified to earnings at that time.

For derivatives that are not designated or for which the designated hedging relationship is discontinued, the gain or loss on the instrument is recognized in earnings in the period of change.

We have exposure to credit losses from derivative instruments in an asset position in the event of nonperformance by the counterparties to the agreements. Historically, we have not experienced material credit losses as a result of counterparty nonperformance. We select and periodically review our counterparties based on credit ratings, limit our exposure to a single counterparty under defined guidelines and monitor the market position of the programs upon execution of a hedging transaction and at least on a quarterly basis.

Loss Contingencies

Legal Matters

KDP is involved from time to time in various claims, proceedings, and litigation, including those described in Note 18. We establish reserves for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Management has also identified certain other legal matters where it believes an unfavorable outcome is reasonably possible and/or for which no estimate of possible losses can be made, and where applicable, provides disclosure of such legal matters in Note 18.

Product Warranties

We provide for the estimated cost of product warranties associated with our brewers in cost of sales, at the time product revenue is recognized. Warranty costs are estimated primarily using historical warranty information in conjunction with current engineering assessments applied to the expected repair or replacement costs. The estimate for warranties requires assumptions relating to expected warranty claims which are based on historical claims and known current year factors.

Revenue Recognition

We recognize revenue when performance obligations under the terms of a contract with the customer are satisfied. Branded product sales, which include LRBs, K-Cup pods, appliances, and other, occur once control is transferred upon delivery to the customer. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods. The amount of consideration we receive and revenue we recognize varies with changes in customer incentives offered to our customers and their customers. These incentives and discounts, which are recorded as a reduction of revenue, include cash discounts, price allowances, volume-based rebates, product placement fees, and other financial support for items such as trade promotions, displays, new products, consumer incentives, and advertising assistance. Accruals are established for the expected payout based on contractual terms, volume-based metrics, and/or historical trends, and require management judgment with respect to estimating customer participation and performance levels. Sales taxes and other similar taxes are excluded from revenue. Costs associated with shipping and handling activities, such as merchandising, are included in SG&A expenses as revenue is recognized.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Cost of Sales

Cost of goods sold includes all costs to acquire and manufacture our products including raw materials, direct and indirect labor, manufacturing overhead, including depreciation expense, and all other costs incurred to bring the product to salable condition. All other costs incurred after this condition is met are considered selling costs and included in SG&A expenses.

Selling, General and Administrative Expenses**Transportation and Warehousing Costs**

We incurred \$1,910 million, \$1,783 million, and \$1,746 million of transportation and warehousing costs during the years ended December 31, 2024, 2023, and 2022, respectively. These amounts, which primarily relate to shipping and handling costs, are recorded in SG&A expenses in the Consolidated Statements of Income.

Advertising and Marketing Expense

Advertising and marketing production costs related to television, print, radio, and other marketing investments are expensed as of the first date the advertisement takes place. All other advertising and marketing costs are expensed as incurred. Advertising and marketing expenses were approximately \$657 million, \$640 million, and \$537 million for the years ended December 31, 2024, 2023, and 2022, respectively. Advertising and marketing expenses are recorded in SG&A expenses in the Consolidated Statements of Income. Prepaid advertising and marketing costs are recorded as Other current and Other non-current assets in the Consolidated Balance Sheets.

Research and Development Costs

Research and development costs are expensed when incurred and amounted to \$70 million, \$66 million, and \$65 million for the years ended December 31, 2024, 2023, and 2022, respectively. These expenses are recorded primarily in SG&A expenses in the Consolidated Statements of Income.

Stock-Based Compensation Expense

Stock-based compensation expense is recognized within SG&A expenses in the Consolidated Statements of Income related to the fair value of employee stock-based awards, ratably over the vesting period, and only for awards expected to vest. Estimated forfeiture rates are based on historical data and are periodically reassessed.

Compensation cost is based on the grant-date fair value. The fair value of RSUs is determined based on the number of units granted and the grant date price of common stock. The fair value of PSUs is estimated at the date of grant using a Monte-Carlo simulation.

Restructuring and Integration Costs

We implement restructuring programs from time to time and incur costs that are designed to improve operating effectiveness and lower costs. When these programs are implemented, we incur expenses, such as employee separations, lease terminations, and other direct exit costs, that qualify as exit and disposal costs under U.S. GAAP. Severance costs are recorded once they are both probable and estimable. Restructuring liabilities that qualify as exit and disposal costs under U.S. GAAP are included in accounts payable and accrued expenses on the consolidated financial statements.

We also incur expenses that are an integral component of, and directly attributable to, the restructuring activities, which do not qualify as exit and disposal costs, such as accelerated depreciation, asset impairments, IT implementation costs, and other incremental costs. We have recorded these costs within SG&A expenses on the Consolidated Statements of Income, and these costs are held within unallocated corporate costs.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Foreign Currency Translation and Transaction

We translate assets and liabilities of our foreign subsidiaries from their respective functional currencies to U.S. dollars at the appropriate spot rates as of the balance sheet date. The functional currency of our operations outside the U.S. is generally the local currency of the country where the operations are located, or U.S. dollars. The results of operations are translated into U.S. dollars at a monthly average rate, calculated using daily exchange rates.

Differences arising from the translation of opening balance sheets of these entities to the rate at the end of the financial year are recognized in AOCI. The differences arising from the translation of foreign results at the average rate are also recognized in AOCI. Such translation differences are recognized as income or expense in the period in which we dispose of the operations.

Transactions in foreign currencies are recorded at the approximate rate of exchange at the transaction date. Assets and liabilities resulting from these transactions are translated at the rate of exchange in effect at the balance sheet date. Such differences are recorded in Cost of sales or Other (income) expense, net in the Consolidated Statements of Income, depending on the nature of the underlying transaction.

Earnings per Share

Basic EPS is computed by dividing Net income by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the assumed conversion of all dilutive securities determined through the treasury stock method.

Repurchases of Common Stock

Shares repurchased under authorized share repurchase programs are retired, and the excess purchase price over the par value is recorded to additional paid-in capital.

The IRA imposes a 1% excise tax on net share repurchases that occur after December 31, 2022. The tax associated with shares repurchased is recorded to additional paid-in capital. Cash paid related to the excise tax on net share repurchases is included in the Repurchases of common stock line in the Consolidated Statements of Cash Flows.

RECENTLY ISSUED ACCOUNTING STANDARDS

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The objective of ASU 2023-09 is to enhance disclosures related to income taxes, including specific thresholds for inclusion within the tabular disclosure of income tax rate reconciliation and specified information about income taxes paid. ASU 2023-09 is effective for public companies starting in annual periods beginning after December 15, 2024. We are currently evaluating ASU 2023-09 but expect the impact of the disclosures to be immaterial to KDP's consolidated financial statements.

In February 2024, the FASB issued ASU 2024-03, *Income Statement Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. The objective of ASU 2024-03 is to require entities to provide enhanced disclosures of income statement expenses through disaggregation of specific expense captions. ASU 2024-03 is effective for public companies starting in annual periods beginning after December 15, 2026 and in interim periods beginning after December 15, 2027. We are currently evaluating ASU 2024-03 and the impact of the disclosures to KDP's consolidated financial statements.

RECENTLY ADOPTED PROVISIONS OF U.S. GAAP

As of January 1, 2024 we adopted ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The objective of ASU 2023-07 is to require entities to provide enhanced disclosures on significant segment expenses. ASU 2023-07 is effective for public companies in annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024. Refer to Note 8 for additional information on our segment related disclosures.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (CONTINUED)

3. Long-term Obligations and Borrowing Arrangements

The following table summarizes our long-term obligations:

<i>(in millions)</i>	December 31,	
	2024	2023
Notes	\$ 12,948	\$ 11,095
Term loan	990	—
Less: current portion of long-term obligations	(1,026)	(1,150)
Long-term obligations	<u>\$ 12,912</u>	<u>\$ 9,945</u>

The following table summarizes our short-term borrowings and current portion of long-term obligations:

<i>(in millions)</i>	December 31,	
	2024	2023
Commercial paper notes	\$ 1,616	\$ 2,096
Current portion of long-term obligations:		
Notes	1,026	1,150
Short-term borrowings and current portion of long-term obligations	<u>\$ 2,642</u>	<u>\$ 3,246</u>

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

SENIOR UNSECURED NOTES

Our Notes consisted of the following:

(in millions)			December 31,	
Issuance	Maturity Date	Rate	2024	2023
2024 Notes	March 15, 2024	0.750%	\$ —	\$ 1,150
2025 Merger Notes	May 25, 2025	4.417%	529	529
2025 Notes	November 15, 2025	3.400%	500	500
2026 Notes	September 15, 2026	2.550%	400	400
2027-B Notes	March 15, 2027	Floating ⁽²⁾	350	—
2027-C Notes	March 15, 2027	5.100%	750	—
2027 Notes	June 15, 2027	3.430%	500	500
2028 Merger Notes	May 25, 2028	4.597%	1,112	1,112
2029-B Notes	March 15, 2029	5.050%	750	—
2029 Notes	April 15, 2029	3.950%	1,000	1,000
2030 Notes	May 1, 2030	3.200%	750	750
2031 Notes	March 15, 2031	2.250%	500	500
2031-B Notes	March 15, 2031	5.200%	500	—
2032 Notes	April 15, 2032	4.050%	850	850
2034 Notes	March 15, 2034	5.300%	650	—
2038 Merger Notes	May 25, 2038	4.985%	211	211
2045 Notes	November 15, 2045	4.500%	550	550
2046 Notes	December 15, 2046	4.420%	400	400
2048 Merger Notes	May 25, 2048	5.085%	391	391
2050 Notes	May 1, 2050	3.800%	750	750
2051 Notes	March 15, 2051	3.350%	500	500
2052 Notes	April 15, 2052	4.500%	1,150	1,150
Principal amount			13,093	11,243
Adjustment from principal amount to carrying amount ⁽¹⁾			(145)	(148)
Carrying amount			\$ 12,948	\$ 11,095

(1) The carrying amount includes unamortized discounts, debt issuance costs and fair value adjustments related to the DPS Merger.

(2) The 2027-B Notes bear interest at a rate equal to Compounded SOFR (as defined in the respective supplemental indenture) plus 0.88% per annum, and the rate is reassessed quarterly.

On March 7, 2024, we completed the issuance of the 2027-B Notes, the 2027-C Notes, the 2029-B Notes, the 2031-B Notes, and the 2034 Notes, with an aggregate principal amount of \$3 billion. The discount associated with these notes was approximately \$5 million, and we incurred \$16 million in debt issuance costs. The proceeds from the issuance were used for our share repurchase program, to repay outstanding commercial paper, and to repay the 2024 Notes at maturity, with the remainder intended for general corporate purposes.

Notes, among other things, contain customary default provisions and limit our ability to incur indebtedness secured by principal properties, to enter into certain sale and leaseback transactions, and to enter into certain mergers or transfers of substantially all of KDP's assets. The Notes are fully and unconditionally guaranteed by certain of our direct and indirect subsidiaries. As of December 31, 2024, we were in compliance with all financial covenant requirements of the Notes.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

VARIABLE-RATE BORROWING ARRANGEMENTS

Term Loan Agreement

On October 25, 2024, we entered into the Term Loan Agreement among KDP, as borrower, the lenders party thereto and Bank of America, N.A., as administrative agent. The deferred financing fees incurred in connection with the Term Loan Agreement were insignificant.

The Term Loan Agreement provides for a delayed draw term loan facility in an aggregate principal amount of \$1.25 billion, available in a first tranche of up to \$1 billion and second tranche of up to \$250 million. The proceeds of the Term Loan Agreement may be used by KDP for general corporate purposes, including to finance acquisitions (including the payment of any fees and expenses incurred in connection therewith). Borrowings under the Term Loan Agreement are unsecured. Borrowings under the first tranche and second tranche must be repaid on April 25, 2026, and February 23, 2027, respectively, but may be repaid earlier without penalty. On December 31, 2024, we drew \$990 million on the first tranche of the Term Loan Agreement, and the remaining capacity of the first tranche was forfeited. As of December 31, 2024, the second tranche of up to \$250 million remains available.

The interest rate applicable to borrowings under the Term Loan Agreement ranges from (i) a rate equal to SOFR plus a spread adjustment of 0.100% and a margin of 0.875% to 1.500% to (ii) a rate equal to a base rate plus a margin of 0.000% to 0.500%, in each case depending on our credit rating as determined by Moody's and S&P. The Term Loan Agreement also contains (i) certain customary affirmative covenants, including those that impose certain reporting and/or performance obligations on KDP and its subsidiaries, (ii) certain customary negative covenants that generally limit, subject to various exceptions, KDP and its subsidiaries from taking certain actions, including, without limitation, incurring liens, consummating certain fundamental changes, and entering into transactions with affiliates, (iii) a financial covenant in the form of a minimum interest coverage ratio of 3.25 to 1.00, and (iv) customary events of default (including a change of control) for financings of this type. As of December 31, 2024, we were in compliance with our minimum interest coverage ratio relating to the Term Loan Agreement.

Revolving Credit Agreement

On February 23, 2022, we entered into the Revolving Credit Agreement among KDP, as borrower, the lenders from time to time party thereto and JPMorgan Chase, Bank, N.A., as administrative agent. We incurred approximately \$4 million in deferred financing fees related to the issuance.

The following table summarizes information about the Revolving Credit Agreement:

(in millions)		December 31, 2024		December 31, 2023
Issuance	Maturity Date	Capacity	Carrying Value	Carrying Value
Revolving Credit Agreement ⁽¹⁾	February 23, 2027	\$ 4,000	\$ —	\$ —

(1) The Revolving Credit Agreement has \$200 million letters of credit available, none of which were utilized as of December 31, 2024.

Borrowings under the Revolving Credit Agreement will bear interest at a rate per annum equal to, at KDP's option, an adjusted SOFR rate plus a margin of 0.875% to 1.500% or a base rate plus a margin of 0.000% to 0.500%, in each case, depending on the rating of certain index debt of KDP. The Revolving Credit Agreement contains customary representations and warranties for investment grade financings. The Revolving Credit Agreement also contains (i) certain customary affirmative covenants, including those that impose certain reporting and/or performance obligations on KDP and its subsidiaries, (ii) certain customary negative covenants that generally limit, subject to various exceptions, KDP and its subsidiaries from taking certain actions, including, without limitation, incurring liens, consummating certain fundamental changes and entering into transactions with affiliates, (iii) a financial covenant in the form of a minimum interest coverage ratio of 3.25 to 1.00, and (iv) customary events of default (including a change of control) for financings of this type. As of December 31, 2024, we were in compliance with our minimum interest coverage ratio relating to the Revolving Credit Agreement.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Commercial Paper Program

KDP has a commercial paper program, under which we may issue unsecured commercial paper notes on a private placement basis. Effective November 10, 2023, the maximum aggregate amount available under the facility was increased to \$4,000 million. The maturities of the commercial paper notes vary, but commercial paper notes are classified as short-term, as maturities do not exceed one year. We issue commercial paper notes as needed for general corporate purposes. Outstanding commercial paper notes rank equally with all of the commercial paper notes' existing and future unsecured borrowings.

The following table provides information about our weighted average borrowings under our commercial paper program:

(in millions, except %)	For the Year Ended December 31,		
	2024	2023	2022
Weighted average commercial paper borrowings	\$ 2,270	\$ 1,267	\$ 40
Weighted average borrowing rates	5.42 %	5.41 %	2.36 %

Letters of Credit Facility

In addition to the portion of the Revolving Credit Agreement reserved for issuance of letters of credit, we have an incremental letter of credit facility. Under this facility, \$150 million is available for the issuance of letters of credit, \$74 million of which was utilized as of December 31, 2024 and \$76 million of which remains available for use.

FAIR VALUE DISCLOSURES

The fair value of our commercial paper approximates the carrying value and is considered Level 2 within the fair value hierarchy.

The fair values of our Notes are based on current market rates available to us and are considered Level 2 within the fair value hierarchy. The difference between the fair value and the carrying value represents the theoretical net premium or discount that would be paid or received to retire all the Notes and related unamortized costs to be incurred at such date. The fair value of our Notes was \$12,036 million and \$10,486 million as of December 31, 2024 and 2023, respectively.

4. Acquisitions

GHOST TRANSACTIONS

On October 23, 2024, we entered into a definitive agreement with GHOST, and certain other parties named therein, to acquire a controlling interest in GHOST. Founded in 2016, GHOST is a lifestyle sports nutrition business with a portfolio anchored by GHOST Energy, a leading ready-to-drink energy brand.

Under the terms of the agreement, we initially purchased a 60% stake in GHOST for aggregate consideration of \$999 million, which included customary adjustments. We also entered into an agreement which requires us to purchase the remaining equity interests in GHOST in 2028.

Separately from the above transaction, we also executed an agreement with GHOST and ABI which terminates the distribution rights for certain GHOST products by ABI, effective March 3, 2025, for a termination payment to ABI of \$225 million. At that time, we will assume the distribution of such products. The termination payment was accrued as of December 31, 2024, with the corresponding expense included within Other operating expense (income), net in the Consolidated Statements of Income.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Under the acquisition method of accounting, total consideration was as follows:

<i>(in millions)</i>	Total Consideration
Initial payment to acquire 60% of GHOST	\$ 999
Fair value of mandatory redemption liability for the remainder of the business on December 31, 2024 ⁽¹⁾	689
Total consideration	\$ 1,688

(1) The fair value of our mandatory redemption liability is estimated using the Monte Carlo simulation method which includes forecasted EBITDA expectations, adjusting for market risks and volatility, calculating redemption prices, discounting to present terms with the cost of debt, and averaging results across scenarios to determine fair value, incorporating the market price of risk and volatility estimates from similar companies.

The initial payment of \$999 million was funded primarily by proceeds drawn from the Term Loan Agreement. Refer to Note 3 for additional information.

Allocation of Consideration

Our preliminary allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed in the GHOST Transactions is based on estimated fair values as of December 31, 2024. The following is a summary of the preliminary allocation of consideration to the estimated fair values of assets acquired and liabilities assumed in the GHOST Transactions as of December 31, 2024:

<i>(in millions)</i>	Fair Value
Brand	\$ 1,146
Assets acquired, net of liabilities assumed	82
Customer relationships	23
Goodwill	437
Total consideration	1,688
Less: Holdback placed in escrow ⁽¹⁾	(90)
Acquisition of business	\$ 1,598

(1) Amount includes both the current and non-current portion of the holdback liability. Refer to Note 17 for additional information.

The GHOST Transactions preliminarily resulted in \$437 million of goodwill. The goodwill to be recognized is attributable to revenue synergies, driven by a strong portfolio of brands with exposure to higher growth segments and the ability to leverage our collective distribution strength, as well as operational and general and administrative cost synergies. The goodwill created in the GHOST Transactions is expected to be deductible for tax purposes. All of the goodwill is included in our U.S. Refreshment Beverages segment.

We have not presented estimated unaudited pro forma results of operations for the GHOST Transactions or the actual results of GHOST because it is not material to our consolidated financial statements.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

OTHER IMMATERIAL ACQUISITIONS

Kalil Acquisition

On May 30, 2024, we entered into an agreement with Kalil, under which we agreed to acquire all of Kalil's production, sales, and distribution assets for total consideration of \$103 million, subject to certain adjustments outlined in the agreement. Kalil is an independent bottler with bottling and distribution rights in Arizona to key KDP brands, including Canada Dry, 7UP, A&W, Snapple, and Core Hydration. On August 9, 2024, we completed the Kalil Acquisition, and approximately \$8 million of cash was held back and placed in escrow.

Our preliminary allocation of consideration exchanged to the net tangible and intangible assets acquired and liabilities assumed in the Kalil Acquisition is based on estimated fair values as of August 9, 2024, and the consideration was primarily allocated to property, plant, and equipment and other intangible assets.

Other

We spent \$6 million in connection with an immaterial acquisition during the year ended December 31, 2024.

5. Goodwill and Other Intangible Assets

GOODWILL

Changes in the carrying amount of goodwill by reportable segment are as follows:

<i>(in millions)</i>	U.S. Refreshment Beverages	U.S. Coffee	International	Total
Balance as of December 31, 2022	\$ 8,714	\$ 8,622	\$ 2,736	\$ 20,072
Foreign currency translation	—	—	130	130
Balance as of December 31, 2023	8,714	8,622	2,866	20,202
Acquisitions ⁽¹⁾	447	—	—	447
Impairment ⁽²⁾	(306)	—	—	(306)
Foreign currency translation	—	—	(290)	(290)
Balance as of December 31, 2024 ⁽³⁾	\$ 8,855	\$ 8,622	\$ 2,576	\$ 20,053

(1) Acquisition activity during the year ended December 31, 2024 represents goodwill recorded as a result of the 2024 acquisitions. Refer to Note 4 for additional information.

(2) Impairment activity during the year ended December 31, 2024 represents impairment of our U.S. WD reporting unit. Refer to *Impairment Analysis - 2024 Impairment Analysis* below for further information.

(3) As of December 31, 2024, goodwill for the U.S. Refreshment Beverages segment is inclusive of accumulated impairment losses of \$306 million. There were no accumulated impairment losses for goodwill as of December 31, 2023 or 2022.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

INTANGIBLE ASSETS OTHER THAN GOODWILL

The net carrying amounts of intangible assets other than goodwill are as follows:

(in millions)	December 31, 2024			December 31, 2023		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Intangible assets with definite lives:						
Acquired technology	\$ 1,146	\$ (621)	\$ 525	\$ 1,146	\$ (548)	\$ 598
Customer relationships	666	(270)	396	638	(236)	402
Contractual arrangements	144	(21)	123	146	(13)	133
Trade names	126	(124)	2	126	(114)	12
Brands	51	(32)	19	51	(25)	26
Distribution rights	66	(23)	43	29	(22)	7
Total intangible assets with definite lives	\$ 2,199	\$ (1,091)	\$ 1,108	\$ 2,136	\$ (958)	\$ 1,178
Intangible assets with indefinite lives:						
Brands ⁽¹⁾			\$ 19,848			\$ 19,476
Trade names			2,478			2,478
Distribution rights ⁽²⁾			200			155
Total intangible assets with indefinite lives			22,526			22,109
Other intangible assets, net			\$ 23,634			\$ 23,287

(1) The change in brands with indefinite lives was driven by the acquisition of the GHOST brand in the amount of \$1,146 million, which was partially offset by non-cash impairment charges of \$412 million and unfavorable foreign currency translation impacts of \$362 million during the year ended December 31, 2024. Refer to *Impairment Analysis - 2024 Impairment Analysis* below for further information.

(2) The increase in distribution rights with indefinite lives during the year ended December 31, 2024 was primarily driven by acquired distribution rights related to Electrolit of \$49 million.

Amortization expense for intangible assets with definite lives was as follows:

(in millions)	Year Ended December 31,		
	2024	2023	2022
Amortization expense	\$ 133	\$ 137	\$ 138

Amortization expense of these intangible assets is expected to be as follows:

(in millions)	For the Years Ending December 31,				
	2025	2026	2027	2028	2029
Expected amortization expense	\$ 127	\$ 123	\$ 107	\$ 99	\$ 96

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

GOODWILL AND OTHER INTANGIBLE ASSETS IMPAIRMENT

2024 Impairment Analysis

For the year ended December 31, 2024, we performed a Step 0 analysis for certain indefinite lived intangible assets, including trade names and distribution rights, and did not identify any indicators of impairment. For goodwill and indefinite-lived brands, we performed a Step 1 analysis. As a result, non-cash impairment charges of \$412 million were recorded specific to certain brands in the U.S. Refreshment Beverages segment, and a non-cash impairment charge of \$306 million was recorded to goodwill related to the U.S. Warehouse Direct reporting unit in the U.S. Refreshment Beverages segment. The primary factors that led to the brand impairment determination as of October 1, 2024, primarily led by Snapple, were a downward outlook for operating cash flows in our strategic plan, which led to a reduction in the long-term growth rate. The primary factors that led to the goodwill impairment determination as of October 1, 2024, driven by our U.S. Warehouse Direct reporting unit, were headwinds experienced by certain brands in our still portfolio, including a downward outlook for operating cash flows in our strategic plan, which led to a reduction in the long-term growth rate.

2023 Impairment Analysis

For the year ended December 31, 2023, we performed a Step 1 analysis on all goodwill and indefinite-lived intangible assets. No impairments were recorded as a result of these analyses.

2022 Impairment Analysis

In the third quarter of 2022, management identified specific performance and margin challenges for the Bai brand and performed a Step 1 quantitative discounted cash flow analysis using the income approach. As a result of this analysis, we recorded an impairment charge of \$311 million in the U.S. Refreshment Beverages segment.

During our annual impairment analysis, we performed a Step 0 analysis for certain indefinite lived intangible assets, including trade names, contractual arrangements, and distribution rights, and did not identify any indicators of impairment. For goodwill and the primary indefinite-lived brands, we performed a Step 1 analysis which resulted in non-cash impairment charges of \$161 million were recorded specific to certain brands during the year. The primary factors that led to the brand impairment determination as of October 1, 2022, driven primarily by Schweppes, were the change in the macroeconomic environment leading to increases in discount rates, as well as supply chain disruptions within third-party distribution networks.

Additional Impairment Considerations

The following table provides the range of rates considered to be significant inputs that were used in the annual impairment analyses as of October 1, 2024, 2023, and 2022:

Rate	2024		2023		2022	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Discount rates	7.0 %	9.5 %	8.0 %	13.5 %	7.3 %	10.3 %
Long-term growth rates	— %	3.5 %	— %	4.0 %	— %	3.8 %
Royalty rates ⁽¹⁾	1.0 %	1.0 %	1.0 %	10.0 %	N/A	N/A

(1) Royalty rates were used in a Step 1 quantitative analysis of certain non-priority brands for the years ended December 31, 2024 and 2023, and trade names for the year ended December 31, 2023. For the year ended December 31, 2022, royalty rates were not used, as we performed a Step 0 qualitative analysis for both trade names and certain non-priority brands.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The results of the impairment analyses of our indefinite lived brands as of October 1, 2024, 2023, and 2022 are as follows:

Headroom Percentage	2024		2023		2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Brands						
0% ⁽¹⁾	\$ 280	\$ 280	\$ —	\$ —	\$ 2,136	\$ 2,136
Less than 25%	2,580	2,900	2,274	2,493	2,186	2,547
26 - 50%	1,488	2,160	2,339	3,018	—	—
In excess of 50%	14,481	34,490	14,767	29,002	14,848	28,942

(1) Carrying value reflects the results of the annual impairment analysis recognized during the years ended December 31, 2024 and 2022.

6. Derivatives

INTEREST RATES

Economic Hedges

We are exposed to interest rate risk related to our borrowing arrangements and obligations. We enter into interest rate contracts to provide predictability in our overall cost structure and to manage the balance of fixed-rate and variable-rate debt. We primarily enter into receive-fixed, pay-variable and receive-variable, pay-fixed swaps, and swaption contracts. A natural hedging relationship exists in which changes in the fair value of the instruments act as an economic offset to changes in the fair value of the underlying items. Changes in the fair value of these instruments are recorded in earnings throughout the term of the derivative instrument and are generally reported in Interest expense, net in the Consolidated Statements of Income. As of December 31, 2024, economic interest rate derivative instruments have maturities ranging from May 2035 to July 2043.

Cash Flow Hedges

In April 2022, KDP terminated \$1.5 billion of notional amount of its \$2.5 billion forward starting swaps, which had been designated as cash flow hedges. Upon termination, KDP received \$125 million to settle the contracts with the counterparties, which is amortized to Interest expense, net over the respective terms of the issued Notes.

On September 30, 2022, KDP de-designated \$500 million of notional amount of the forward starting swaps. As the forecasted debt transaction was still probable to occur, the fair value of the these instruments as of the de-designation was recorded to AOCI. Changes in fair value of the these instruments from the point of de-designation were recorded as unrealized gains or losses in Interest expense, net in the Consolidated Statements of Income until the instruments were terminated in the third quarter of 2023, at which time the realized gains in excess of the fair value as of the date of de-designation were recorded in Interest expense, net. The fair value of the instruments as of the date of de-designation remained in AOCI until March 2024, when the forecasted debt transaction took place with the issuance of the 2034 Notes, and the fair value of the instruments began amortizing to Interest expense, net over the term of the 2034 Notes.

During the first quarter of 2023, KDP terminated the remaining forward starting swaps which were designated as cash flow hedges. As the forecasted debt transaction associated with the terminated forward starting swaps was no longer considered probable, the realized gains associated with the termination were recorded in Interest expense, net during the first quarter of 2023.

FOREIGN EXCHANGE

We are exposed to foreign exchange risk in our foreign subsidiaries and with certain counterparties in foreign jurisdictions, which may transact in currencies that are different from the functional currencies of our legal entities. Additionally, the balance sheets of these subsidiaries are subject to exposure from movements in exchange rates.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Economic Hedges

We hold FX forward contracts to economically manage the balance sheet exposures resulting from changes in the FX rates described above. The intent of these FX contracts is to minimize the impact of FX risk associated with balance sheet positions not in local currency. In these cases, a hedging relationship exists in which changes in the fair value of the instruments act as an economic offset to changes in the fair value of the underlying items. Changes in the fair value of these instruments are recorded in earnings throughout the term of the derivative instrument and are reported in the same caption of the Consolidated Statements of Income as the associated risk. As of December 31, 2024, these FX contracts have maturities ranging from January 2025 to September 2026.

Cash Flow Hedges

We designate certain FX forward contracts as cash flow hedges in order to manage the exposures resulting from changes in the FX rates described above. These designated FX forward contracts relate to forecasted inventory purchases in U.S. dollars of our Canadian and Mexican businesses. The intent of these FX contracts is to provide predictability in our overall cost structure. As of December 31, 2024, these FX contracts have maturities ranging from January 2025 to December 2025.

COMMODITIES

Economic Hedges

We centrally manage the exposure to volatility in the prices of certain commodities used in our production process and transportation through various derivative contracts. We generally hold some combination of future, swap and option contracts that economically hedge certain risks. In these cases, a hedging relationship exists in which changes in the fair value of the instruments act as an economic offset to changes in the fair value of the underlying items or as an offset to certain costs of production. Changes in the fair value of these instruments are recorded in earnings throughout the term of the derivative instrument and are reported in the same line item of the Consolidated Statements of Income as the hedged transaction. Unrealized gains and losses are recognized as a component of unallocated corporate costs until our reportable segments are affected by the completion of the underlying transaction, at which time the gain or loss is reflected as a component of the respective segment's income from operations. As of December 31, 2024, these commodity contracts have maturities ranging from January 2025 to July 2026.

NOTIONAL AMOUNTS OF DERIVATIVE INSTRUMENTS

The following table presents the notional amounts of our outstanding derivative instruments by type:

<i>(in millions)</i>	December 31,	
	2024	2023
Interest rate contracts		
Forward starting swaps, not designated as hedging instruments	\$ 1,700	\$ 1,700
Swaptions, not designated as hedging instruments	—	3,200
FX contracts		
Forward contracts, not designated as hedging instruments	\$ 490	\$ 710
Forward contracts, designated as cash flow hedges	486	425
Commodity contracts, not designated as hedging instruments ⁽¹⁾	515	500

(1) Notional value for commodity contracts is calculated as the expected volume times strike price per unit on a gross basis.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

FAIR VALUE OF DERIVATIVE INSTRUMENTS

The fair values of commodity contracts, interest rate contracts and FX forward contracts are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. The fair values of commodity contracts are valued using the market approach based on observable market transactions, primarily underlying commodities futures or physical index prices, at the reporting date. Interest rate contracts are valued using models based primarily on readily observable market parameters, such as SOFR forward rates, for all substantial terms of our contracts and credit risk of the counterparties. FX forward contracts are valued using quoted FX forward rates at the reporting date. Therefore, we have categorized these contracts as Level 2.

Not Designated as Hedging Instruments

The following table summarizes the location of the fair value of our derivative instruments which are not designated as hedging instruments within the Consolidated Balance Sheets. All such instruments are considered level 2 within the fair value hierarchy.

(in millions)	Balance Sheet Location	December 31,	
		2024	2023
Assets:			
FX forward contracts	Prepaid expenses and other current assets	\$ 7	\$ 5
Commodity contracts	Prepaid expenses and other current assets	32	9
FX forward contracts	Other non-current assets	4	—
Commodity contracts	Other non-current assets	2	3
Liabilities:			
Interest rate contracts	Other current liabilities	\$ 22	\$ 80
FX forward contracts	Other current liabilities	4	3
Commodity contracts	Other current liabilities	82	53
Interest rate contracts	Other non-current liabilities	345	186
FX forward contracts	Other non-current liabilities	—	4
Commodity contracts	Other non-current liabilities	3	11

Designated as Hedging Instruments

The following table summarizes the fair value hierarchy and the location of the fair value of our derivative instruments which are designated as hedging instruments within the Consolidated Balance Sheets. All such instruments are considered level 2 within the fair value hierarchy.

(in millions)	Balance Sheet Location	December 31,	
		2024	2023
Assets:			
FX contracts	Prepaid expenses and other current assets	\$ 41	\$ 1
Liabilities:			
FX contracts	Other current liabilities	\$ —	\$ 14

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IMPACT OF DERIVATIVE INSTRUMENTS NOT DESIGNATED AS HEDGING INSTRUMENTS

The following table presents the amount of (gains) losses recognized in the Consolidated Statements of Income related to derivative instruments not designated as hedging instruments under U.S. GAAP during the periods presented. Amounts include both realized and unrealized gains and losses.

(in millions)	Income Statement Location	For the Year Ended December 31,		
		2024	2023	2022
Interest rate contracts	Interest expense, net	\$ 63	\$ (26)	\$ 231
Interest rate contracts	Loss on early extinguishment of debt	—	—	31
FX forward contracts	Cost of sales	(6)	(2)	(7)
FX forward contracts	Other (income) expense, net	(10)	5	(9)
Commodity contracts	Cost of sales	28	22	12
Commodity contracts	SG&A expenses	10	17	(46)

IMPACT OF CASH FLOW HEDGES

The following table presents the amount of (gains) losses, net, reclassified from AOCI into the Consolidated Statements of Income related to derivative instruments designated as cash flow hedging instruments during the periods presented:

(in millions)	Income Statement Location	For the Year Ended December 31,		
		2024	2023	2022
Interest rate contracts ⁽¹⁾	Interest expense, net	\$ (12)	\$ (74)	\$ (6)
FX contracts	Cost of sales	(3)	—	5

(1) Amounts recognized during the year ended December 31, 2023 include the realized gains associated with the termination of forward starting swaps designated as cash flow hedges of approximately \$66 million.

We expect to reclassify approximately \$13 million and \$38 million of pre-tax net gains from AOCI into net income during the next twelve months related to interest rate contracts and FX contracts, respectively.

7. Leases

The following table presents the components of lease cost:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Operating lease cost	\$ 170	\$ 159	\$ 137
Finance lease cost			
Amortization of right-of-use assets	95	81	76
Interest on lease liabilities	33	25	23
Variable lease cost ⁽¹⁾	37	39	35
Short-term lease cost	2	1	2
Sublease income	(1)	—	—
Total lease cost	\$ 336	\$ 305	\$ 273

(1) Variable lease cost primarily consists of common area maintenance costs, property taxes, and adjustments for inflation.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following table presents supplemental cash flow and other information about our leases:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 161	\$ 149	\$ 125
Operating cash flows from finance leases	32	25	23
Financing cash flows from finance leases	115	95	90
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 118	\$ 112	\$ 320
Finance leases	196	109	104

The following table presents information about our weighted average discount rate and remaining lease term:

	December 31,	
	2024	2023
Weighted average discount rate		
Operating leases	5.3 %	5.3 %
Finance leases	4.5 %	3.9 %
Weighted average remaining lease term		
Operating leases	9 years	10 years
Finance leases	9 years	9 years

SCHEDULE OF FUTURE MINIMUM LEASE PAYMENTS

Future minimum lease payments for non-cancellable leases that have commenced and are reflected on the Consolidated Balance Sheets as of December 31, 2024 were as follows:

(in millions)	Operating Leases	Finance Leases
2025	\$ 158	\$ 158
2026	161	193
2027	136	102
2028	107	89
2029	100	82
Thereafter	494	339
Total future minimum lease payments	1,156	963
Less: imputed interest	(238)	(161)
Present value of minimum lease payments	\$ 918	\$ 802

SIGNIFICANT LEASES THAT HAVE NOT YET COMMENCED

As of December 31, 2024, we have entered into leases that have not yet commenced with estimated aggregated future lease payments of approximately \$148 million. These leases will commence between 2025 and 2027, with initial lease terms ranging from 1 year to 7 years.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

ASSET SALE-LEASEBACK TRANSACTIONS

In 2022 and 2023, we entered into a number of asset sale-leaseback transactions with a single sponsor, the Veyron SPEs. Gains on the sale-leasebacks are recorded in Other operating expense (income), net, and the leasebacks are accounted for as operating leases. Gains on sale-leaseback transactions were as follows:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Gain on sale	\$ —	\$ 6	82

The initial term of each leaseback is 15 years, with two 10-year renewal options. The renewal options are not reasonably assured as (i) KDP's position that the dynamic environment in which we operate precludes our ability to be reasonably certain of exercising the renewal options in the distant future and (ii) the options are contingent on KDP remaining investment grade and no change-in-control as of the end of the lease term. Each leaseback has an RVG. Refer to Note 19 for additional information about RVGs associated with asset sale-leaseback transactions.

8. Segments

Effective January 1, 2023, we revised our segment structure to align with changes in how our CODM manages the business, assesses performance and allocates resources. The prior period segment disclosures reflect the revised presentation.

Our operating and reportable segments consist of the following:

- The U.S. Refreshment Beverages segment reflects sales in the U.S. from the manufacture and distribution of branded concentrates, syrup, and finished beverages, including the sales of our own brands and third-party brands, to third-party bottlers, distributors, and retailers.
- The U.S. Coffee segment reflects sales in the U.S. from the manufacture and distribution of finished goods relating to our K-Cup pods, single serve brewers and accessories, and other coffee products to partners, retailers, and directly to consumers through the Keurig.com website.
- The International segment reflects sales in international markets, including the following:
 - Sales in Canada, Mexico, the Caribbean, and other international markets from the manufacture and distribution of branded concentrates, syrup, and finished beverages, including sales of our own brands and third-party brands, to third-party bottlers, distributors, and retailers.
 - Sales in Canada from the manufacture and distribution of finished goods relating to our single serve brewers, K-Cup pods, and other coffee products.

Segment results are based on management reports provided to the CODM, which is Tim Cofer, our CEO. Net sales and income from operations are the significant financial measures used to assess the operating performance of KDP's operating segments. The CODM periodically monitors our actual results and remaining forecast versus our annual budget for these financial measures, and this information is used to assess performance of the reportable segments, determine the payout of short-term incentive plan compensation, and to establish management's base salaries.

Intersegment sales are recorded at cost and are eliminated in the Consolidated Statements of Income. We have not provided disclosures of intersegment sales or total assets for each reportable segment, as our CODM does not review and is not provided with this information. "Other segment expense (income)" includes Other operating expense (income), net, as well as other financial statement captions for infrequent charges, such as impairment of goodwill or intangible assets, used to arrive at "Income from operations - reportable segments". "Unallocated corporate costs" are excluded from our measurement of segment performance and include unrealized commodity derivative gains and losses and certain general corporate expenses.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Information about our operations and significant expenses by reportable segment is as follows:

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	International	Total
For the Year Ended December 31, 2024				
Net sales	\$ 9,331	\$ 3,967	\$ 2,053	\$ 15,351
Cost of sales	3,608	2,210	996	
SG&A expenses	2,904	684	521	
Other segment expense (income) ⁽¹⁾	941	(6)	(9)	
Income from operations - reportable segments	\$ 1,878	\$ 1,079	\$ 545	\$ 3,502
Unallocated corporate costs				(911)
Income from operations				2,591
Interest expense, net				735
Impairment of investments and note receivable				2
Other (income) expense, net				(60)
Income before provision for income taxes				\$ 1,914

(1) During the year ended December 31, 2024, Other segment items within the U.S. Refreshment Beverages segment primarily consisted of non-cash impairment charges of \$412 million recorded specific to certain indefinite-lived brand assets and \$306 million recorded to the WD reporting unit goodwill. Refer to Note 5 for additional information about these non-cash impairment charges. Other segment items within the U.S. Refreshment Beverages segment also included the \$225 million termination payment to ABI for distribution rights related to the GHOST Transactions. Refer to Note 4 for additional information.

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	International	Total
For the Year Ended December 31, 2023				
Net sales	\$ 8,821	\$ 4,071	\$ 1,922	\$ 14,814
Cost of sales	3,536	2,228	979	
SG&A expenses	2,810	691	476	
Other segment income	(8)	(6)	(8)	
Income from operations - reportable segments	\$ 2,483	\$ 1,158	\$ 475	\$ 4,116
Unallocated corporate costs				(924)
Income from operations				\$ 3,192
Interest expense, net				496
Other (income) expense, net				(61)
Income before provision for income taxes				\$ 2,757

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	International	Total
For the Year Ended December 31, 2022				
Net sales	\$ 8,083	\$ 4,302	\$ 1,672	\$ 14,057
Cost of sales	3,318	2,415	891	
SG&A expenses	2,637	726	422	
Other segment expense (income) ⁽¹⁾	167	(54)	(14)	
Income from operations - reportable segments	\$ 1,961	\$ 1,215	\$ 373	\$ 3,549
Unallocated corporate costs				(944)
Income from operations				\$ 2,605
Interest expense, net				693
Loss on early extinguishment of debt				217
Gain on sale of equity method investment				(50)
Impairment of investments and note receivable				12
Other (income) expense, net				14
Income before provision for income taxes				\$ 1,719

(1) During the year ended December 31, 2022, Other segment items under the U.S. Refreshment Beverages segment primarily consisted of noncash impairment charges of \$472 million recorded specific to certain indefinite-lived brand assets. Refer to Note 5 for additional information. This was offset by a \$271 million gain on litigation settlement. Other segment items under the U.S. Coffee segment primarily consisted of a \$30 million gain on sale related to asset sale-leaseback transaction.

GEOGRAPHIC DATA

The following tables present information about our operations by geographic region:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Net sales			
U.S.	\$ 13,368	\$ 12,961	\$ 12,454
Foreign	1,983	1,853	1,603
Net sales	\$ 15,351	\$ 14,814	\$ 14,057

(in millions)	December 31,	
	2024	2023
Property, plant, and equipment, net		
U.S.	\$ 2,450	\$ 2,247
Foreign	514	452
Total property, plant, and equipment, net	\$ 2,964	\$ 2,699

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

MAJOR CUSTOMER

Walmart is considered a major customer, accounting for more than 10% of our total net sales, and is represented in all three of our reportable segments. The following table provides our net sales to Walmart:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Net sales			
Walmart	\$ 2,514	\$ 2,476	\$ 2,184

Additionally, customers in our U.S. Refreshment Beverages and International segments buy concentrate from KDP, which is used in finished goods sold by our third party bottlers to Walmart. These indirect sales further increase the concentration of risk associated with our consolidated net sales as it relates to Walmart.

9. Revenue Recognition

The following table disaggregates our revenue by portfolio:

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	International	Total
For the Year Ended December 31, 2024				
LRB	\$ 9,196	\$ 38	\$ 1,332	\$ 10,566
K-Cup pods	—	3,112	502	3,614
Appliances	—	694	78	772
Other	135	123	141	399
Net sales	\$ 9,331	\$ 3,967	\$ 2,053	\$ 15,351
For the Year Ended December 31, 2023				
LRB	\$ 8,675	\$ —	\$ 1,230	\$ 9,905
K-Cup pods	—	3,207	477	3,684
Appliances	—	725	74	799
Other	146	139	141	426
Net sales	\$ 8,821	\$ 4,071	\$ 1,922	\$ 14,814
For the Year Ended December 31, 2022				
LRB	\$ 7,951	\$ —	\$ 987	\$ 8,938
K-Cup pods	—	3,328	444	3,772
Appliances	—	837	86	923
Other	132	137	155	424
Net sales	\$ 8,083	\$ 4,302	\$ 1,672	\$ 14,057

LRB represents net sales of owned and partner brands within our portfolio and includes branded concentrates, syrup, and finished beverages, including contract manufacturing of KDP branded products for our bottlers and distributors. K-Cup pods represents net sales from owned brands, partner brands, and private label owners. Net sales for partner brands and private label owners are contractual and long-term in nature.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

10. Earnings Per Share

The following table presents our basic and diluted EPS and shares outstanding:

(in millions, except per share data)	For the Year Ended December 31,		
	2024	2023	2022
Net income	\$ 1,441	\$ 2,181	\$ 1,436
Weighted average common shares outstanding	1,362.2	1,399.3	1,416.8
Dilutive effect of stock-based awards	6.1	9.1	11.7
Weighted average common shares outstanding and common stock equivalents	1,368.3	1,408.4	1,428.5
Basic EPS	\$ 1.06	\$ 1.56	\$ 1.01
Diluted EPS	1.05	1.55	1.01
Anti-dilutive shares excluded from the diluted weighted average shares outstanding calculation	0.8	1.0	—

11. Employee Benefit Plans

DEFINED BENEFIT PENSION PLANS

Overview

We have several non-contributory defined benefit plans, each having a measurement date of December 31. To participate in the defined benefit plans, eligible employees must have been employed for at least one year. Employee benefit plan obligations and expenses included in the consolidated financial statements are determined using actuarial analyses based on plan assumptions including employee demographic data such as years of service and compensation, benefits and claims paid, and employer contributions, among others. We also participate in various multi-employer defined benefit plans.

One of our U.S. defined benefit pension plans, which is a cash balance plan, was suspended and the accrued benefit was frozen effective December 31, 2008. Participants in this plan no longer earn additional benefits for future services or salary increases. The cash balance plans maintain individual record-keeping accounts for each participant, which are annually credited with interest credits equal to the 12-month average of one-year U.S. Treasury Bill rates, plus 1%, with a required minimum rate of 5%.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Financial Statement Impact

The following table sets forth amounts recognized in our financial statements and the pension plans' funded status:

<i>(in millions)</i>	As of December 31,	
	2024	2023
Projected benefit obligations		
Beginning balance	\$ 169	\$ 159
Service cost	3	3
Interest cost	9	9
Actuarial (gains) losses, net	(5)	11
Benefits paid	(5)	(5)
Impact of changes in FX rates	(4)	2
Settlements	(8)	(10)
Ending balance	\$ 159	\$ 169
Fair value of plan assets		
Beginning balance	\$ 134	\$ 126
Actual return on plan assets	—	11
Employer contributions	6	12
Benefits paid	(5)	(5)
Settlements	(8)	(10)
Ending balance	\$ 127	\$ 134
Net liability recognized	\$ (32)	\$ (35)
Current liability	\$ (1)	\$ (2)
Non-current liability	(31)	(33)

The accumulated benefit obligations for all defined benefit pension plans were \$156 million and \$165 million as of December 31, 2024 and 2023, respectively. The following table summarizes key pension plan information regarding plans whose accumulated benefit obligations exceed the fair value of their respective plan assets:

<i>(in millions)</i>	As of December 31,	
	2024	2023
Aggregate projected benefit obligation	\$ 159	\$ 169
Aggregate accumulated benefit obligation	156	165
Aggregate fair value of plan assets	127	134

The following table summarizes the components of our net periodic benefit cost:

<i>(in millions)</i>	For the Year Ended December 31,		
	2024	2023	2022
Service cost	\$ 3	\$ 3	\$ 4
Interest cost	9	9	7
Expected return on assets	(6)	(8)	(7)
Settlements	1	1	(1)
Total net periodic benefit costs	\$ 7	\$ 5	\$ 3

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

We use the corridor approach for amortization of actuarial gains or losses. The corridor is calculated as 10% of the greater of the plans' projected benefit obligation or assets. The amortization period for plans with active participants is the average future service of covered active employees, and the amortization period for plans with no active participants is the average future lifetime of plan participants. The estimated service costs or net actuarial losses for the defined benefit pension plans amortized from AOCI into periodic benefit cost in 2025 are expected to be insignificant.

The following table summarizes amounts included in AOCI for our defined benefit plans:

(in millions)	As of December 31,	
	2024	2023
Net actuarial loss	\$ 12	\$ 12
Prior service cost	2	3
Total	\$ 14	\$ 15

Contributions and Expected Benefit Payments

The following table summarizes the contributions made to our defined benefit plans for the years ended December 31, 2024, 2023, and 2022, as well as our projected contributions for the year ended December 31, 2025:

(in millions)	Projected	For the Year Ended December 31,			
	2025	2024	2023	2022	
Non-discretionary contributions	\$ 7	\$ 6	\$ 12	\$ 3	

The following table summarizes the estimated future benefit payments for our defined benefit plans:

(in millions)	2025	2026	2027	2028	2029	2030-2034
Estimated future benefit payments	\$ 15	\$ 13	\$ 14	\$ 13	\$ 14	\$ 69

Actuarial Assumptions

Our pension expense was calculated based upon a number of actuarial assumptions including discount rates, retirement age, mortality rates, compensation rate increases and expected long-term rate of return on plan assets for pension benefits.

The following information is provided for our U.S. defined benefit pension plans, as our foreign defined benefit pension plans are not material to our consolidated financial statements.

The discount rate that was utilized for determining our projected benefit obligations as of December 31, 2024 and 2023, as well as projected 2025 net periodic benefit cost, for U.S. plans was selected based upon an interest rate yield curve. The yield curve is constructed based on the yields of a large number of U.S. AA rated bonds as of December 31, 2024. The population of bonds utilized to calculate the discount rate includes those having an average yield between the 10th and 90th percentiles. Projected cash flows from the U.S. plans are then matched to spot rates along that yield curve in order to determine their present value and a single equivalent discount rate is calculated that produces the same present value as the spot rates.

Expected mortality is a key assumption in the measurement for pension benefit obligations. For our U.S. plans, we used the Pri-2012 mortality tables and the Mortality Improvement Scale MP-2021, published by the Society of Actuaries' Retirement Plans Experience Committee, for the years ended December 31, 2024 and 2023.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following table summarizes the weighted-average actuarial assumptions used to determine benefit obligations at the plan measurement dates for U.S. plans:

	As of December 31,	
	2024	2023
Discount rate	5.60 %	5.10 %
Rate of increase in compensation levels	3.00 %	3.00 %

The following table summarizes the weighted-average actuarial assumptions used to determine the net periodic benefit costs for U.S. plans:

	For the Year Ended December 31,		
	2024	2023	2022
Discount rate	5.60 %	5.10 %	5.40 %
Rate of increase in compensation levels	3.00 %	3.00 %	3.00 %
Expected long-term rate of return	4.95 %	4.75 %	6.00 %

For the years ended December 31, 2024, 2023, and 2022, the expected long-term rate of return on U.S. pension fund assets held by our pension trusts was determined based on several factors, including the impact of active portfolio management and projected long-term returns of broad equity and bond indices. The plans' historical returns were also considered.

Investment Policy and Strategy

We have established formal investment policies for the assets associated with our U.S. defined benefit pension plans. Our investment policy and strategy are mandated by our Investment Committee. The overriding investment objective is to provide for the availability of funds for pension obligations as they become due, to maintain an overall level of financial asset adequacy, and to maximize long-term investment return consistent with a reasonable level of risk. We actively manage the investments in our portfolio, with periodic review of investment performance both by investment manager and asset class, as well as review of overall market conditions and consideration of our long-term investment objectives. The equity and fixed income investments under our sponsored pension plan assets are currently well diversified. The plans' asset allocation policy is reviewed at least annually. Factors considered when determining the appropriate asset allocation include changes in plan liabilities, an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments.

As of December 31, 2023, we were in compliance with the investment policy for the U.S. defined benefit pension plans, which contained allowable ranges in asset mix of 5-15% for U.S. equity securities, 5-15% for international equity securities, and 70-90% for fixed income securities.

During the year ended December 31, 2024, we revised our investment policy for our U.S. defined benefit pension plans. As of December 31, 2024, we were in compliance with the investment policy, which allows for a varying asset allocation dependent on each plan's funded status, as follows:

	Target allocation
Return-seeking ⁽¹⁾	40-60%
Liability-hedging ⁽²⁾	40-60%

(1) Return-seeking assets generally consist of common collective trust funds comprised of equity securities, liquid alternatives, and fixed income securities.

(2) Liability-hedging assets consist of common collective trust funds comprised of a mix of fixed income securities and hedging instruments aimed to achieve a target interest rate.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

FAIR VALUE OF THE PENSION ASSETS

Assets contributed by KDP to our pension plans become the property of the individual plans. Even though we no longer have control over these assets, we are indirectly impacted by subsequent fair value adjustments to these assets. The actual return on these assets impacts our future net periodic benefit cost, as well as amounts recognized in the Consolidated Balance Sheets. As such, we use a variety of valuation techniques depending on the type of instrument in order to measure the fair value of assets held by our pension plans.

In conjunction with the revised investment policy discussed above, we implemented changes to the structure of assets held by our pension plans. With the exception of Cash and cash equivalents, all pension assets are comprised of common collective trust funds, which are valued using NAV as a practical expedient. Such assets have not been categorized in the fair value hierarchy. The following table presents the total fair value of major categories of the pension plan assets for the year ended December 31, 2024:

<i>(in millions)</i>	Level 1	NAV	Total
Cash and cash equivalents	\$ 23	\$ —	\$ 23
Investments measured at NAV ⁽¹⁾	—	104	104
Total fair value of plan assets	\$ 23	\$ 104	\$ 127

(1) Primarily consists of common collective trust funds, which are valued at NAV based on the fair value of the underlying investments.

The following table presents the total fair value of major categories of the pension plan assets for the year ended December 31, 2023:

<i>(in millions)</i>	Level 1	Level 2	Total
Cash and cash equivalents	\$ 1	\$ —	\$ 1
U.S. equity securities ⁽¹⁾⁽²⁾	—	14	14
International equity securities ⁽¹⁾⁽²⁾	—	6	6
Fixed income securities ⁽³⁾	—	113	113
Total fair value of plan assets	\$ 1	\$ 133	\$ 134

(1) Equity securities are comprised of actively managed U.S. and international index funds.

(2) The NAV is based on the fair value of the underlying assets owned by the equity index fund or fixed income investment vehicle per share, multiplied by the number of units held as of the measurement date.

(3) Fixed income securities are comprised of domestic and international corporate bonds and U.S. government securities. Investments are provided by the investment managers using a unit price or NAV based on the fair value of the underlying investments.

PRMB PLANS

We have several non-contributory defined benefit PRMB plans, each having a measurement date of December 31. The majority of these PRMB plans have been frozen. To participate in the defined benefit plans, eligible employees must have been employed by KDP for at least one year. The PRMB plans are limited to qualified expenses and are subject to deductibles, co-payment provisions, and other provisions. Our PRMB plans are not significant to the consolidated financial statements as of December 31, 2024 and 2023.

MULTI-EMPLOYER PLANS

We participate in several multi-employer plans, which are trustee-managed multi-employer defined benefit pension plans for union-represented employees under certain collective bargaining agreements. The risks of participating in these multi-employer plans are different from single-employer plans, as assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. Additionally, if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

Contributions paid into the multi-employer plans are expensed as incurred. Multi-employer plan expenses were \$11 million, \$6 million, and \$5 million for each of the years ended December 31, 2024, 2023, and 2022, respectively.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Individually Significant Multi-Employer Plan

We participate in one multi-employer plan, Central States, which is considered to be individually significant. The following table presents information about Central States as of December 31, 2024:

Plan's employer identification number	36-6044243
Plan number	001
Expiration dates of collective bargaining agreements ⁽¹⁾	March 20, 2025 through May 3, 2027
Financial Improvement Plan/Rehabilitation Plan status pending/implemented	Implemented
Pension Protection Act zone status	Critical
Surcharge imposed	Yes

(1) Central States includes six collective bargaining agreements as of December 31, 2024. The largest agreement, which is set to expire February 28, 2027, covers approximately 61% of the employees included in Central States. Two of the collective bargaining agreements are set to expire during 2025, covering approximately 22% of the employees included in Central States. In January 2024, one union decertified, triggering a partial withdrawal liability. The impact was immaterial to our consolidated financial statements.

The most recent Pension Protection Act zone status available as of December 31, 2024 is for the plan's year-end as of December 31, 2023. Central States has not utilized any extended amortization provisions that affect the calculation of the zone status.

Our contributions to Central States did not exceed 5% of the total contributions made to Central States for the years ended December 31, 2024, 2023, and 2022.

Future estimated contributions to Central States based on the number of covered employees and the terms of the collective bargaining agreements are as follows:

(in millions)	2025	2026	2027	2028	2029
Future estimated contributions to Central States	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2

DEFINED CONTRIBUTION PLANS

We sponsor various qualified defined contribution plans that cover U.S. and foreign based employees who meet certain eligibility requirements. The U.S. plans permit both pre-tax and after-tax contributions, which are subject to limitations imposed by IRS regulations. We make matching contributions and discretionary profit sharing contributions to these plans. We incurred contribution expense of \$67 million, \$64 million, and \$61 million to the defined contribution plans for the years ended December 31, 2024, 2023, and 2022, respectively.

We also sponsor a non-qualified defined contribution plan for employees which is maintained in a rabbi trust and is not readily available to us. The fair value of the securities within this plan was \$33 million and \$32 million as of December 31, 2024 and 2023, respectively. Refer to Note 17 for additional information on mark-to-market activity for the deferred defined compensation plan.

12. Stock-Based Compensation

The components of stock-based compensation expense are presented below:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Total stock-based compensation expense ⁽¹⁾	\$ 98	\$ 116	\$ 52
Income tax benefit recognized in the Consolidated Statements of Income	(16)	(19)	(7)
Stock-based compensation expense, net of tax	\$ 82	\$ 97	\$ 45

(1) Effective January 1, 2022, we changed our accounting policy election to record expense only for awards expected to vest. The cumulative effect of this change in accounting policy was recorded effective January 1, 2022, as the impact of forfeitures on stock-based compensation has historically been insignificant. We recorded a one-time \$40 million reduction to stock-based compensation expense as a result of the change in forfeiture policy in the year ended December 31, 2022.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

DESCRIPTION OF STOCK-BASED COMPENSATION PLANS

We previously adopted the 2009 Incentive Plan, under which employees and non-employee directors could be granted stock options, stock appreciation rights, stock awards, RSUs, and PSUs. Grants subsequent to the DPS Merger and prior to the adoption of the 2019 Incentive Plan were granted under the 2009 Incentive Plan. The 2019 Incentive Plan was adopted in 2019, expires in 2029, and contains substantially similar provisions to the 2009 Incentive Plan. Together, these incentive plans provide for the issuance of up to an aggregate of 27,425,720 shares of our common stock in stock-based compensation awards.

RSUs generally vest on the following schedule:

Period Granted	Vesting Terms
RSUs granted after the DPS Merger through 2019	5-year term with cliff-vesting at the end of the term
RSUs granted in 2020 through 2024	5-year term with graded vesting as follows: 0% in year 1, 0% in year 2, 60% in year 3, 20% in year 4, 20% in year 5

However, from time to time, we grant RSUs outside of the normal grant cycle which have different terms and vesting conditions. For all RSU grants, we recognize the expense ratably over the vesting period.

RESTRICTED SHARE UNITS

The table below summarizes RSU activity:

	RSUs	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Balance as of December 31, 2023	15,748,820	\$ 29.42	1.7	\$ 525
Granted	4,456,257	26.66		
Vested and released	(6,123,032)	26.87		187
Forfeited	(1,593,246)	29.31		
Balance as of December 31, 2024	<u>12,488,799</u>	<u>29.70</u>	<u>2.0</u>	<u>401</u>

The weighted average grant date fair value for RSUs granted for the years ended December 31, 2024, 2023, and 2022 was \$26.66, \$30.60, and \$35.76, respectively. The aggregate fair value of the RSUs vested and released for the years ended December 31, 2024, 2023, and 2022 was \$165 million, \$134 million, and \$28 million, respectively.

As of December 31, 2024, there was \$170 million of unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted average period of 3.2 years.

PERFORMANCE SHARE UNITS

In 2020, the Compensation Committee of the Board approved a PSU grant. Each PSU is equivalent in value to one share of our common stock. The PSUs vested three years from the beginning date of a predetermined performance period, to the extent that the performance criteria is met during the performance period. The performance criteria includes a specified market condition which compares total shareholder return to that of certain indices. Additionally, the PSUs are required to be held by the grantee for one year after the awards have vested. The maximum payout percentage for all PSUs granted by KDP is 100%.

The PSUs are valued using a Monte Carlo simulation model, which requires certain assumptions, including the risk-free interest rate, expected volatility, and the estimated dividend yield. The risk-free interest rate used in the Monte Carlo simulation model is based on zero-coupon yields implied by U.S. Treasury issues with remaining terms similar to the performance period on the PSUs. The performance period of the PSUs represents the period of time between the PSU grant date and the end of the performance period. Expected volatility is based on historical data of KDP and certain indices over the most recent time period equal to the performance period.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The table below summarizes PSU activity:

	PSUs	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Balance as of December 31, 2023	328,776	\$ 28.80	0.0	\$ 11
Granted	—	—		
Vested and released	(107,422)	28.80		3
Forfeited or expired	(221,354)	28.80		
Balance as of December 31, 2024	—	—	0.0	—

As of December 31, 2024, there was no remaining unrecognized compensation cost related to unvested PSUs.

STOCK OPTIONS

The table below summarizes stock option activity:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Balance as of December 31, 2023	37,452	\$ 14.76	3.2	\$ 1
Granted	—	—		
Exercised	(37,452)	14.76		1
Outstanding as of December 31, 2024	—	—	0.0	—
Exercisable as of December 31, 2024	—	—	0.0	—

13. Investments

The following table summarizes our investments in unconsolidated affiliates:

(in millions)	December 31,	
	2024	2023
Nutrabolt ⁽¹⁾	\$ 1,097	\$ 960
Chobani ⁽²⁾	313	307
Tractor ⁽³⁾	56	44
Athletic Brewing ⁽⁴⁾	47	50
Beverage startup companies ⁽⁵⁾	5	5
Other	25	21
Investments in unconsolidated affiliates	\$ 1,543	\$ 1,387

(1) KDP holds a 35.8% interest on an as-converted basis in Nutrabolt, consisting of 31.1% in Class A preferred shares acquired through our December 2022 investment, which are treated as in-substance common stock, and 4.7% in Class B common shares earned through the achievement of certain milestones included in the distribution agreement with Nutrabolt.

(2) KDP holds a 5.0% interest in Chobani.

(3) In May 2024, we modified our sales agent contract with Tractor. In exchange, we received additional equity interests, raising our total interest to 22.5% as of December 31, 2024.

(4) KDP holds an 11.6% interest in Athletic Brewing.

(5) Beverage startup companies represent equity method investments in development stage entities and may include entities which are pre-revenue, in test markets, or in early operations.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Chobani Investment

In August 2023, we invested \$300 million in exchange for common shares in La Colombe that represented a 33.3% ownership interest. We additionally capitalized \$7 million of incremental third-party costs into the investment balance.

In December 2023, La Colombe merged with a wholly-owned subsidiary of Chobani. Our investment in La Colombe was exchanged for common units in Chobani.

Nutrabolt Investment

Our interest in preferred units earns the greater of (i) a 5% annual coupon on the preferred equity units plus any accretion for amounts not yet paid or (ii) our share of Nutrabolt's earnings as if our preferred equity was converted into common units. We recorded preferred dividends of \$46 million, \$44 million, and \$3 million during the years ended December 31, 2024, 2023, and 2022, respectively, which increased the investment balance for Nutrabolt.

14. Income Taxes

Income before provision for income taxes was as follows:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
U.S.	\$ 696	\$ 1,665	\$ 789
Foreign	1,218	1,092	930
Total	<u>\$ 1,914</u>	<u>\$ 2,757</u>	<u>\$ 1,719</u>

The provision for income taxes has the following components:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	\$ 377	\$ 270	\$ 320
State	108	117	97
Foreign	242	193	156
Total current provision	<u>\$ 727</u>	<u>\$ 580</u>	<u>\$ 573</u>
Deferred:			
Federal	\$ (199)	\$ 31	\$ (141)
State	(55)	2	(147)
Foreign	—	(37)	(1)
Total deferred provision	<u>(254)</u>	<u>(4)</u>	<u>(289)</u>
Total provision for income taxes	<u>\$ 473</u>	<u>\$ 576</u>	<u>\$ 284</u>

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following is a reconciliation of the provision for income taxes computed at the U.S. federal statutory tax rate to the provision for income taxes reported in the Consolidated Statements of Income:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
State income taxes, net	2.1 %	3.2 %	2.6 %
Impact of foreign operations	(1.4)%	(1.7)%	(2.3)%
Tax credits	(6.2)%	(3.7)%	(3.9)%
Valuation allowance for deferred tax assets	0.6 %	— %	— %
U.S. taxation of foreign earnings	5.1 %	3.0 %	3.7 %
Goodwill impairment	2.7 %	— %	— %
Deferred rate change	(0.4)%	(0.3)%	(5.2)%
Uncertain tax positions	— %	0.1 %	0.3 %
U.S. federal provision to return	0.2 %	— %	(0.1)%
Excess tax deductions on stock-based compensation	(0.2)%	(0.3)%	(0.1)%
Other	1.2 %	(0.4)%	0.5 %
Total provision for income taxes	24.7 %	20.9 %	16.5 %

Deferred tax assets and liabilities were comprised of the following:

(in millions)	December 31,	
	2024	2023
Deferred tax assets:		
Operating lease liability	\$ 229	\$ 230
Net operating losses carryforwards	30	36
Tax credit carryforwards	10	10
Accrued expenses	154	145
Research and development capitalization	94	76
Accrued termination fees	56	—
Other	107	121
Total deferred tax assets	680	618
Valuation allowances	(25)	(51)
Total deferred tax assets, net of valuation allowances	\$ 655	\$ 567
Deferred tax liabilities:		
Brands, trade names and other intangible assets	\$ (5,486)	\$ (5,720)
Property, plant, and equipment	(299)	(334)
Right of use assets	(224)	(226)
Other	(42)	(16)
Total deferred tax liabilities	(6,051)	(6,296)
Net deferred tax liabilities	\$ (5,396)	\$ (5,729)

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

CARRYFORWARDS

As of December 31, 2024 and 2023, we had \$30 million and \$36 million, respectively, in tax-effected net operating loss carryforwards. Of the \$30 million of net operating loss carryforwards as of December 31, 2024, \$27 million will not expire, \$1 million related to state income tax will begin to expire in 2027, and the remaining \$2 million related to foreign income tax will begin to expire in the year 2035.

As of both December 31, 2024 and 2023, we had \$10 million of credit carryforwards. As of December 31, 2024, the \$10 million of state tax credit carryforwards will begin to expire in the year 2027.

VALUATION ALLOWANCES

For the tax year ended December 31, 2024, the Company recognized a net decrease of \$26 million in its valuation allowances, primarily due to net decreases in the deferred tax assets and related valuation allowances on certain equity method investments.

UNDISTRIBUTED FOREIGN EARNINGS

For the tax year ended December 31, 2024, undistributed earnings in foreign subsidiaries for which no deferred taxes have been provided totaled approximately \$879 million. An actual repatriation from our foreign subsidiaries could still be subject to additional foreign withholding taxes. We have analyzed our global working capital and cash requirements and continue to be indefinitely reinvested in our undistributed earnings, except for amounts in excess of our working capital and cash requirements. We have recorded any potential withholding tax liabilities, if necessary, attributable to repatriation.

OTHER TAX MATTERS

We file income tax returns for U.S. federal purposes and in various state jurisdictions. We also file income tax returns in various foreign jurisdictions, principally Canada, Ireland, Mexico, and Singapore. The U.S. and most state income tax returns for years prior to 2019 are closed to examination by applicable tax authorities. Canadian and Mexican income tax returns are generally open for audit for tax years 2019 and forward, and Ireland income tax returns are open for audit for tax years 2020 and forward.

We previously had a tax holiday in Singapore, which was effective through June 2024, whereby the local statutory rate is significantly reduced if certain conditions are met. The impact of the tax holiday increased net income by approximately \$2 million, \$4 million, and \$6 million for the years ended December 31, 2024, 2023, and 2022, respectively, resulting in no impact to basic and diluted EPS for each of the years ended December 31, 2024, 2023, and 2022.

On August 16, 2022, the IRA was signed into law in the United States. The IRA added new tax provisions allowing certain taxpayers to elect to transfer an eligible credit to an unrelated transferee taxpayer where the transferee taxpayer is then able to use the transferred tax credit against its own taxable income for taxable years after December 31, 2022. During the years ended December 31, 2024 and 2023, we executed agreements with eligible taxpayers to purchase federal tax credits of \$260 million and \$270 million, respectively, which will be used against KDP's federal tax liability. The discounts negotiated for the transfer of eligible federal tax credits of \$20 million and \$16 million were recorded as an income tax benefit on the Consolidated Statements of Income for the years ended December 31, 2024 and 2023, respectively.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

UNRECOGNIZED TAX BENEFITS

The following is a reconciliation of the changes in the gross balance of unrecognized tax benefits:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Balance, beginning of the period	\$ 13	\$ 15	\$ 12
Increases related to tax positions taken during the current year	2	3	4
(Decreases) increases related to tax positions taken during the prior year	(1)	(2)	3
Decreases related to settlements with taxing authorities	—	—	(3)
Decreases related to lapse of applicable statute of limitations	(2)	(3)	(1)
Balance, end of the period	<u>\$ 12</u>	<u>\$ 13</u>	<u>\$ 15</u>

The total amount of unrecognized tax benefits that would reduce the effective tax rate if recognized is \$10 million after considering the federal impact of state income taxes. KDP does not expect a significant change to its unrecognized tax benefits, but it is reasonably possible that a change in the unrecognized tax benefits may occur within the next twelve months related to the settlement of audits or the lapse of applicable statutes of limitations.

KDP accrues interest and penalties on its uncertain tax positions as a component of its provision for income taxes. We recognized \$1 million of expense related to interest and penalties for uncertain tax positions for each of the years ended December 31, 2024 and 2023 and no expense for the year ended December 31, 2022. We had a total of \$3 million accrued for interest and penalties for our uncertain tax positions reported as part of other non-current liabilities as of both December 31, 2024 and 2023.

15. Accumulated Other Comprehensive Income (Loss)

The following table provides a summary of changes in AOCI, net of taxes:

(in millions)	Foreign Currency Translation	Pension and PRMB Liabilities	Cash Flow Hedges	Total
Balance as of December 31, 2021	\$ 81	\$ (4)	\$ (103)	\$ (26)
Other comprehensive (loss) income	(167)	(6)	329	156
Amounts reclassified from AOCI	—	—	(1)	(1)
Total other comprehensive (loss) income	(167)	(6)	328	155
Balance as of December 31, 2022	(86)	(10)	225	129
Other comprehensive income (loss)	288	(5)	(41)	242
Amounts reclassified from AOCI	—	1	(57)	(56)
Total other comprehensive income (loss)	288	(4)	(98)	186
Balance as of December 31, 2023	202	(14)	127	315
Other comprehensive (loss) income	(612)	(1)	33	(580)
Amounts reclassified from AOCI	—	1	(12)	(11)
Total other comprehensive (loss) income	(612)	—	21	(591)
Balance as of December 31, 2024	<u>\$ (410)</u>	<u>\$ (14)</u>	<u>\$ 148</u>	<u>\$ (276)</u>

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following table presents the amount of (gains) losses reclassified from AOCI into the Consolidated Statements of Income:

(in millions)	Income Statement Caption	For the Year Ended December 31,		
		2024	2023	2022
Pension and PRMB liabilities	SG&A expenses	\$ 2	\$ 1	\$ —
Income tax benefit		(1)	—	—
Total, net of tax		\$ 1	\$ 1	\$ —
Cash flow hedges:				
Interest rate contracts ⁽¹⁾	Interest expense	\$ (12)	\$ (74)	\$ (6)
FX contracts	Cost of sales	(3)	—	5
Total		(15)	(74)	(1)
Income tax expense (benefit)		3	17	—
Total, net of tax		\$ (12)	\$ (57)	\$ (1)

(1) Amounts reclassified from AOCI into interest expense during the year ended December 31, 2023 include the realized gains associated with the termination of forward starting swaps designated as cash flow hedges of approximately \$66 million. Refer to Note 6 for additional information on the terminated forward starting swaps.

16. Property, Plant, and Equipment

Property, plant, and equipment, net consisted of the following:

(in millions)	December 31,	
	2024	2023
Land	\$ 58	\$ 45
Buildings and improvements	825	744
Machinery and equipment	3,290	2,899
Cold drink equipment	142	118
Software	517	492
Construction-in-progress	384	365
Property, plant, and equipment, gross	5,216	4,663
Less: accumulated depreciation and amortization	(2,252)	(1,964)
Property, plant, and equipment, net	\$ 2,964	\$ 2,699

The following table summarizes the location of depreciation expense within the Consolidated Statements of Income:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Cost of sales	\$ 234	\$ 231	\$ 229
SG&A expenses	188	171	170
Total depreciation expense	\$ 422	\$ 402	\$ 399

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

17. Other Financial Information

CASH AND CASH EQUIVALENTS

The carrying value of cash, cash equivalents, restricted cash, and restricted cash equivalents is valued as of the balance sheet date equating fair value and is classified as Level 1. The following table provides a reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported with the Consolidated Balance Sheets to the total of the same amounts shown in the Consolidated Statements of Cash Flows:

<i>(in millions)</i>	December 31,	
	2024	2023
Cash and cash equivalents	\$ 510	\$ 267
Restricted cash and restricted cash equivalents ⁽¹⁾	80	—
Non-current restricted cash and restricted cash equivalents ⁽²⁾	18	—
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	<u>\$ 608</u>	<u>\$ 267</u>

(1) Restricted cash and restricted cash equivalents consists primarily of amounts held in escrow in connection with the acquisitions of GHOST and Kalil, and have a corresponding holdback liability recorded in Other current liabilities, as shown below. Refer to Note 4 for additional information.

(2) Non-current restricted cash and restricted cash equivalents, reported within Non-current assets on the Consolidated Balance Sheets, consists of amounts held in escrow in connection with the acquisition of GHOST, and has a corresponding holdback liability recorded in Other non-current liabilities. Refer to Note 4 for additional information.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

SELECTED BALANCE SHEET INFORMATION

The following tables provide selected financial information from the Consolidated Balance Sheets:

<i>(in millions)</i>	December 31,	
	2024	2023
Inventories:		
Raw materials	\$ 524	\$ 409
Work-in-progress	9	12
Finished goods	798	742
Total	1,331	1,163
Allowance for excess and obsolete inventories	(32)	(21)
Total inventories	\$ 1,299	\$ 1,142
Prepaid expenses and other current assets:		
Other receivables	\$ 146	\$ 135
Prepaid income taxes	33	196
Customer incentive programs	18	24
Derivative instruments	80	15
Prepaid marketing	29	20
Spare parts	126	111
Income tax receivable	75	16
Other	99	81
Total prepaid expenses and other current assets	\$ 606	\$ 598
Other non-current assets:		
Operating lease right-of-use assets	\$ 880	\$ 876
Customer incentive programs	45	45
Derivative instruments	6	3
Equity securities	89	69
Non-current restricted cash and restricted cash equivalents	18	—
Other	162	156
Total other non-current assets	\$ 1,200	\$ 1,149

Equity Securities

Fair values of equity securities are determined using quoted market prices from daily exchange traded markets, based on the closing price as of the balance sheet date, and are classified as Level 1. Unrealized mark-to-market gains and losses are recorded to Other (income) expense, net. The following table presents the amount of unrealized mark-to-market (gains) losses, net, on our equity securities recognized in the Consolidated Statements of Income related to these securities during the periods presented.

<i>(in millions)</i>	For the Year Ended December 31,		
	2024	2023	2022
Unrealized mark-to-market (gains) losses			
Vita Coco	\$ (17)	\$ (16)	\$ 4
Rabbi trust	(4)	(6)	8

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

(in millions)	December 31,	
	2024	2023
Accrued expenses:		
Accrued customer trade	\$ 439	\$ 477
Accrued compensation	235	208
Insurance reserve	57	50
Interest accrual	107	72
Accrued termination fees ⁽¹⁾	225	—
Accrued transferable tax credits	130	152
Other accrued expenses	391	283
Total accrued expenses	<u>\$ 1,584</u>	<u>\$ 1,242</u>
Other current liabilities:		
Dividends payable	\$ 312	\$ 299
Income taxes payable	67	29
Operating lease liability	128	114
Finance lease liability	125	106
Derivative instruments	108	150
Holdback liability	80	—
Other	15	16
Total other current liabilities	<u>\$ 835</u>	<u>\$ 714</u>
Other non-current liabilities:		
Operating lease liability	\$ 790	\$ 793
Finance lease liability	677	620
Mandatory redemption liability ⁽²⁾	689	—
Pension and post-retirement liability	31	35
Insurance reserves	95	85
Derivative instruments	348	201
Deferred compensation liability	33	32
Holdback liability	18	—
Other	72	67
Total other non-current liabilities	<u>\$ 2,753</u>	<u>\$ 1,833</u>

(1) In connection with the GHOST Transactions, we executed an agreement which terminates the distribution rights for certain GHOST products by ABI, effective March 3, 2025, for a termination fee of \$225 million. Refer to Note 4 for additional information.

(2) The fair value of our mandatory redemption liability is estimated using the Monte Carlo simulation method which includes forecasted EBITDA expectations, adjusting for market risks and volatility, calculating redemption prices, discounting to present terms with the cost of debt, and averaging results across scenarios to determine fair value, incorporating the market price of risk and volatility estimates from similar companies.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

18. Commitments and Contingencies

We are occasionally subject to litigation or other legal proceedings. Reserves are recorded for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated. We had litigation reserves of \$2 million and \$12 million as of December 31, 2024 and 2023, respectively. We have also identified certain other legal matters where we believe an unfavorable outcome is reasonably possible and/or for which no estimate of possible losses can be made. We do not believe that the outcome of these, or any other, pending legal matters, individually or collectively, will have a material adverse effect on our results of operations, financial condition or liquidity.

ANTITRUST LITIGATION

In February 2014, TreeHouse Foods, Inc. and certain affiliated entities filed suit against KDP's wholly-owned subsidiary, Keurig (formerly known as Green Mountain Coffee Roasters, Inc.), in the U.S. District Court for the Southern District of New York ("SDNY") (TreeHouse Foods, Inc. et al. v. Green Mountain Coffee Roasters, Inc. et al.). The TreeHouse complaint asserted claims under the federal antitrust laws and various state laws, contending that Keurig had monopolized alleged markets for single serve coffee brewers and single serve coffee pods. The TreeHouse complaint sought treble monetary damages, declaratory relief, injunctive relief and attorneys' fees. In the months that followed, a number of additional actions, including claims from another coffee manufacturer (JBR, Inc.), as well as putative class actions on behalf of direct and indirect purchasers of Keurig's products, were filed in various federal district courts, asserting claims and seeking relief substantially similar to the claims asserted and relief sought in the TreeHouse complaint. Additional similar actions were filed by individual direct purchasers (including McLane Company, Inc., BJ's Wholesale Club, Inc., Winn-Dixie Stores Inc. and Bi-Lo Holding LLC) in 2019 and in 2021. All of these actions were transferred to the SDNY for coordinated pre-trial proceedings (In re: Keurig Green Mountain Single-Serve Coffee Antitrust Litigation) (the "Multidistrict Antitrust Litigation").

In July 2020, Keurig reached an agreement with one of the plaintiff groups in the Multidistrict Antitrust Litigation, the putative indirect purchaser class, to settle the claims asserted for \$31 million. The settlement class consisted of individuals and entities in the United States that purchased, from persons other than Keurig and not for purposes of resale, Keurig manufactured or licensed single serve beverage portion packs during the applicable class period (beginning in September 2010 for most states). The settlement was approved and paid, and the indirect purchasers' claims have been dismissed.

Discovery in all remaining matters pending in the Multidistrict Antitrust Litigation is concluded, with the plaintiffs collectively claiming more than \$5 billion of monetary damages. Keurig strongly disputes the merits of the claims and the calculation of damages. In 2021, the parties filed motions challenging the validity of certain of the other parties' proposed expert opinions. In January 2025, the court issued a ruling on these motions, granting challenges to certain expert testimony—including Keurig's challenge to JBR, Inc.'s damages expert—but largely denying the parties' motions. Keurig has also fully briefed summary judgment motions that, if successful, would end the cases entirely. Keurig is also pursuing its opposition to direct purchaser plaintiffs' motion for class certification.

Keurig intends to continue vigorously defending the remaining lawsuits. At this time, we are unable to predict the outcome of these lawsuits, the potential loss or range of loss, if any, associated with the resolution of these lawsuits or any potential effect they may have on KDP or its operations. Accordingly, we have not accrued for a loss contingency. Additionally, as the timelines in these cases may be beyond our control, KDP can provide no assurance as to whether or when there will be material developments in these matters.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

ENVIRONMENTAL, HEALTH, AND SAFETY MATTERS

We operate many manufacturing, bottling, and distribution facilities. In these and other aspects of our business, we are subject to a variety of federal, state, and local environmental, health, and safety laws and regulations. We maintain environmental, health, and safety policies and a quality environmental, health, and safety program designed to ensure compliance with applicable laws and regulations. However, the nature of our business exposes us to the risk of claims with respect to environmental, health, and safety matters, and there can be no assurance that material costs or liabilities will not be incurred in connection with such claims.

The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, also known as the Superfund law, as well as similar state laws, generally impose joint and several liability for cleanup and enforcement costs on current and former owners and operators of a site without regard to fault or the legality of the original conduct. We were notified by the Environmental Protection Agency that we are a potentially responsible party for study and cleanup costs at Superfund sites in New Jersey and in Michigan. Investigation and remediation costs are yet to be determined, therefore no reasonable estimate exists on which to base a loss accrual.

PRODUCT WARRANTIES

We offer a one year warranty on all Keurig brewing systems. We provide for the estimated cost of product warranties, primarily using historical information and current repair or replacement costs, at the time product revenue is recognized. Product warranties are included in accrued expenses in the accompanying Consolidated Balance Sheets.

<i>(in millions)</i>	Accrued Product Warranties
Balance as of December 31, 2022	\$ 13
Accruals for warranties issued	17
Settlements	(19)
Balance as of December 31, 2023	11
Accruals for warranties issued	14
Settlements	(15)
Balance as of December 31, 2024	<u>\$ 10</u>

19. Transactions with Variable Interest Entities

INVESTMENTS IN UNCONSOLIDATED AFFILIATES WHICH QUALIFY AS VIEs

Certain of our equity investments are in entities which qualify as VIEs. We have determined that we are not the primary beneficiary of these VIEs and therefore are not required to consolidate them, as the primary shareholder of each respective VIE has control over the board and decision-making for the activities that most significantly impact the VIE's economic performance, including sales, marketing, and operations. As of December 31, 2024 and 2023, our investments in Nutrabolt and Chobani represent investments in entities which qualify as VIEs but for which we are not the primary beneficiary. We have no obligation to provide additional funding to these VIEs, and thus our maximum exposure and risk of loss related to these VIEs is limited to the carrying value of our investment. Refer to Note 13 for the carrying value of these investments.

OTHER TRANSACTIONS WITH VIEs

We have a number of leasing arrangements and one licensing arrangement with special purpose entities for which KDP is not the primary beneficiary, as KDP has limited power based on the contractual agreements to direct the activities that most significantly impact the VIEs' performance.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Leasing Arrangements

As of December 31, 2024, we have entered into sixteen lease transactions with VIEs. Each lease has an RVG based on a percentage of the VIEs' purchase price; however, we concluded it was not probable that we will owe an amount at the end of each individual lease term, as the fair values of the properties are not expected to fall below the RVGs at the end of each individual lease term. As such, we recorded each lease obligation excluding the associated RVG. The aggregate maximum undiscounted RVG associated with the leasing arrangements was \$652 million and \$653 million as of December 31, 2024 and 2023, respectively. This aggregate maximum value assumes that the fair value of each property at the end of either the original lease term or renewal term is equal to zero, which we have concluded is not probable.

The following table provides the carrying amounts of the right-to-use assets and lease obligations recorded on the Consolidated Balance Sheets associated with these leasing arrangements related to the VIEs as of December 31, 2024 and 2023:

(in millions)	December 31,	
	2024	2023
Non-current assets	\$ 386	\$ 412
Current liabilities	24	23
Non-current liabilities	376	402

The leasing agreements included as of December 31, 2024 and 2023 include nine manufacturing sites, five distribution centers, one multipurpose property, and our Frisco, Texas headquarters.

Licensing Arrangement

ABC, a wholly-owned subsidiary of KDP, has provided a guarantee in connection with its distribution agreement with the Veyron SPEs to be paid only in the event the Veyron SPEs sell specific distribution rights and the value of those distribution rights does not exceed \$142 million, which is the maximum undiscounted amount that KDP could pay under the RVG. All obligations with respect to the guarantee will cease upon termination of the distribution agreement, which would occur upon notice by ABC not to renew the distribution agreement, KDP no longer being investment grade at the end of the term, or the sale of the distribution rights by the Veyron SPEs. As of December 31, 2024, we have not recorded a liability as it is not probable that we will have to make any payments required under the RVG, as the fair value of the distribution rights is not expected to fall below \$142 million over the term of the agreement.

As of December 31, 2024, we had \$85 million in fixed service fee commitments related to the 15-year distribution agreement, which was effective on December 28, 2020, with the Veyron SPEs. These commitments were used to assist the Veyron SPEs in obtaining financing. Such fixed service fee payments began on January 1, 2021.

Fixed service fees over the next five years are expected to be as follows:

(in millions)	For the Years Ending December 31,				
	2025	2026	2027	2028	2029
Fixed service fees	\$ 8	\$ 7	\$ 8	\$ 8	\$ 8

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

20. Restructuring and Integration Costs

RESTRUCTURING PROGRAMS

2024 Network Optimization

In March 2024, we announced a restructuring program designed to more effectively and efficiently meet the needs of consumers and customers. The program initially included the closure of our manufacturing facility in Williston, Vermont, with operations and employees relocating to other existing manufacturing locations. The relocation began during the second quarter of 2024 and was completed in the third quarter of 2024. In July 2024, we also announced the closure of our Windsor, Virginia manufacturing facility, which is expected to begin in the first quarter of 2025. Our restructuring program also encompasses other costs intended to optimize our manufacturing and distribution footprint throughout our operations.

The restructuring program is expected to incur pre-tax restructuring charges in an estimated range of \$125 million to \$145 million, primarily comprised of asset related costs, through the second quarter of 2025.

2023 CEO Succession and Associated Realignment

In 2023, we began to enact several organization movements to ensure succession plans, to reinforce enterprise capabilities to support growth, and to control costs. A key component of the program was the appointment of Tim Cofer as Chief Operating Officer, effective November 6, 2023, with Mr. Cofer succeeding Robert Gamgort as our CEO during the second quarter of 2024. We have also realigned our executive and operating leadership structure to enable faster decision making and to better support various strategic initiatives. The program is expected to incur charges of approximately \$85 million, primarily driven by severance costs, which were substantially completed as of December 31, 2024, and the sign-on bonus for Mr. Cofer.

DPS Integration Program

As part of the DPS Merger, we developed a program to deliver \$600 million in synergies over a three-year period through supply chain optimization, reduction of indirect spend through new economies of scale, elimination of duplicative support functions, and advertising and promotion optimization. Although the program was initially expected to be completed in 2021, as a result of delays due to COVID-19, we continued to recognize expenditures for certain initiatives which began during the integration period through December 31, 2022. The restructuring and integration program resulted in cumulative pre-tax charges of approximately \$962 million, primarily consisting of professional fees related to the integration and transformation and costs associated with severance and employee terminations.

RESTRUCTURING CHARGES

Restructuring and integration expenses for the defined programs during the periods presented were as follows:

(in millions)	Year Ended December 31,		
	2024	2023	2022
2024 Network Optimization	\$ 51	\$ —	\$ —
2023 CEO Succession and Associated Realignment	40	35	—
DPS Integration	—	—	172
Total restructuring and integration charges	<u>\$ 91</u>	<u>\$ 35</u>	<u>\$ 172</u>

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

RESTRUCTURING LIABILITIES

Restructuring liabilities that qualify as exit and disposal costs under U.S. GAAP are included in accounts payable and accrued expenses on the consolidated financial statements. Restructuring liabilities, primarily consisting of workforce reduction costs, were as follows:

(in millions)	Restructuring Liabilities	
Balance as of December 31, 2022	\$	55
Charges to expense		18
Cash payments		(46)
Balance as of December 31, 2023		27
Charges to expense		34
Cash payments		(17)
Balance as of December 31, 2024	\$	44

21. Related Parties

IDENTIFICATION OF RELATED PARTIES

Prior to August 19, 2020, we were indirectly controlled by JAB, a privately held investor group. Since August 19, 2020, JAB continues to hold a significant but non-controlling interest in KDP. As of December 31, 2024, JAB beneficially owned approximately 16% of our outstanding common stock. JAB and its affiliates also hold investments in a number of other companies that have commercial relationships with us. These commercial relationships may take the form of our purchase of raw materials, our license of the companies' trademarks for use in the manufacturing of K-Cup pods, our sale of products for resale to retail customers, or our manufacture or distribution of products to, or on behalf of, these companies.

We hold investments in certain brand ownership companies, and in certain instances, we also have rights in specified territories to bottle and/or distribute the brands owned by such companies. We purchase inventory from these brand ownership companies and sell finished product to third-party customers, primarily in the U.S. Additionally, any transactions with significant partners in these investments, such as ABI, are considered related party transactions. ABI purchases Clamato from us and pays us a royalty for use of the brand name. Refer to Note 13 for additional information about our investments in unconsolidated affiliates.

OPERATING TRANSACTIONS WITH RELATED PARTIES

Trade accounts receivable, net from related parties were \$30 million and \$34 million as of December 31, 2024 and 2023, respectively, primarily related to product sales and royalty revenues. Accounts payable to related parties were \$35 million and \$21 million as of December 31, 2024 and 2023, respectively, primarily related to purchases of finished goods inventory for distribution.

Revenues from and expenses associated with these related parties were as follows:

(in millions)	For the Year Ended December 31,		
	2024	2023	2022
Revenues from related parties	\$ 163	\$ 143	\$ 127
Expenses associated with related parties ⁽¹⁾	128	132	64

(1) Expenses associated with related parties includes a reduction of \$93 million and \$42 million related to earned equity for the achievement of certain milestones included in our distribution agreement with related parties, which were recognized as a reduction of cost of sales on the Consolidated Statements of Income for the years ended December 31, 2024 and 2023, respectively.

KEURIG DR PEPPER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

OTHER TRANSACTIONS WITH RELATED PARTIES

In March 2024, JAB BevCo B.V., a subsidiary of JAB, sold 100 million shares of KDP's common stock through an underwritten secondary offering. In connection with this offering, we repurchased 35 million shares at the per-share price paid by the underwriter, for a total of \$1,012 million, which was effected under our existing share repurchase program.

Transactions with Related Parties for Distribution Rights

We executed an agreement between KDP, GHOST, and ABI, which terminates the distribution rights for certain GHOST products by ABI, effective March 3, 2025, for \$225 million, which was accrued as of December 31, 2024, and is expected to be paid during the first quarter of 2025. Refer to Note 4 for additional information.

We made payments to Nutrabolt totaling \$8 million and \$52 million to acquire certain distribution rights during the years ended December 31, 2024 and 2023, respectively. Refer to Note 5 for additional information.

22. Subsequent Events

On January 31, 2025, we repaid the first tranche of the Term Loan Agreement using proceeds from commercial paper.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Keurig Dr Pepper Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Keurig Dr Pepper Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2024, 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, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, 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, 2024, 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 25, 2025, 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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Indefinite-Lived Intangible Assets and Goodwill Valuation - Certain of the Brand Assets and Reporting Units - Refer to Notes 2 and 5 to the financial statements

Critical Audit Matter Description

As discussed in Notes 2 and 5, the Company has indefinite-lived brand intangible assets (“brand assets”) and goodwill. The Company’s evaluation of brand assets and goodwill for impairment is performed annually as of October 1, or more frequently if events or circumstances indicate the carrying amount may not be recoverable and involves the comparison of the fair value of each brand asset or reporting unit to its carrying value. For the year ended December 31, 2024, the Company recorded an impairment charge of \$412 million related to certain brand assets and an impairment charge of \$306 million recorded to goodwill, both in the U.S. Refreshment Beverages segment. The Company used the income approach and a combination of income and market based approaches to estimate the fair value of brand assets and reporting units, respectively. These methods required management to make significant estimates and assumptions, specifically related to discount rates, and forecasted cash flows. Assumptions may be sensitive to future market or industry conditions, as well as company-specific conditions, and changes in these assumptions could have a significant impact on the calculation of fair value. Given the significant judgments made by management to estimate certain of the fair values, a high degree of auditor judgment and an increased extent of effort were required to perform audit procedures that evaluated the reasonableness of management’s estimates and assumptions.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures consisted of risk assessment and testing management’s impairment analyses including the underlying business and valuation assumptions for certain of the fair values. Those procedures included, but were not limited to, the following:

- We tested the effectiveness of controls over the Company’s brand assets and goodwill impairment review process which include controls related to management’s selection of the discount rate and forecasts of future revenues.
- We evaluated the reasonableness of management’s ability to forecast revenue growth and margins by considering:
 - Historical revenue and margins.
 - Analysis of current and future business strategies to the projected periods.
 - Information in industry reports.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodologies and assumptions, including discount rates.

/s/ Deloitte & Touche LLP

Dallas, Texas

February 25, 2025

We have served as the Company’s auditor since 2016.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Keurig Dr Pepper Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Keurig Dr Pepper Inc. and subsidiaries (the "Company") as of December 31, 2024, 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, 2024, 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, 2024, of the Company and our report dated February 25, 2025, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, appearing under Item 9A, management excluded from its assessment the internal control over financial reporting at Ghost Lifestyle LLC which was acquired on December 31, 2024 and whose financial statements constitute less than 3% of total assets of the consolidated financial statement amounts as of December 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at Ghost Lifestyle LLC.

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, appearing under Item 9A. 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
Dallas, Texas
February 25, 2025

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

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, management, with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2024, and has concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for KDP, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with U.S. GAAP.

Our management, with the participation of the CEO and CFO, assessed the effectiveness of internal control over financial reporting. Based on the criteria for effective internal control over financial reporting established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, management concluded that the internal control over financial reporting was effective as of December 31, 2024.

Under guidelines established by the SEC, companies are allowed to exclude an acquired business from management's report on internal control over financial reporting for the first year subsequent to the acquisition while integrating the acquired operations. Accordingly, management has excluded GHOST from its annual report on internal control over financial reporting as of December 31, 2024. GHOST represented approximately 3% of our consolidated total assets as of December 31, 2024.

All internal control systems, no matter how well designed, have inherent limitations and 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.

ATTESTATION REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in their attestation report, which is included in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As of December 31, 2024, management has concluded that there have been no changes in our internal control over financial reporting that occurred during our fourth quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

USE OF RULE 10b5-1 TRADING ARRANGEMENTS

On October 30, 2024, Bob Gamgort, our Executive Chairman, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (“Rule 10b5-1(c)”) for the sale of up to 2,500,000 shares of KDP’s common stock until March 1, 2026.

On November 1, 2024, Mary Beth DeNooyer, our Chief Human Resources Officer, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 120,000 shares of KDP’s common stock until March 4, 2026.

During the fourth quarter of 2024, no other directors or executive officers of KDP adopted, modified, or terminated any contract, instruction or written plan for the purchase or sale of KDP securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement,” as defined in Item 408 of Regulation S-K.

AMENDED AND RESTATED BYLAWS

On February 20, 2025, the Board approved and adopted amended and restated bylaws of the Company to reflect the amendments summarized below (as so amended and restated, the “Amended and Restated Bylaws”), effective immediately.

Among other things, the amendments affected by the Amended and Restated Bylaws include updates in light of Rule 14a-19 under the Exchange Act, adopted by the SEC (“universal proxy rules”), certain recent amendments to the Delaware General Corporation Law (the “DGCL”) as well as other market practice updates and clarifying changes. To enhance readability and align with market practice, the Amended and Restated Bylaws reflect combined advance notice provisions relating to director nominations and proposals of other business in a new Section 6 of Article II and additional requirements in Section 7 of Article II. These advance notice provisions have been updated to (1) require (i) compliance with universal proxy rules, including the 67% solicitation requirement; (ii) director candidates to consent to being named in any proxy statement; (iii) documentation confirming the stockholder’s compliance with the Rule 14a-19 requirements; (iv) information from “control persons” when the stockholder or beneficial owner is an entity and certain Schedule 13D disclosure requirements to be addressed in stockholder notice; (v) stockholder nominees to provide a written representation and agreement with respect to certain voting, compensation and indemnification matters, completed director & officer questionnaires and the nominee’s agreement to comply with the Company’s policies and guidelines and that such representations, questionnaires and agreements be submitted at the same time as the stockholder notice of nomination, and (2) clarify that (i) the advance notice provisions set forth in Article II, Section 6 is the exclusive means for a stockholder to make nominations and propose business before an annual meeting (other than a Rule 14a-8 proposal); and (ii) an adjournment, recess or postponement of an annual meeting does not commence a new time period or extend the previously announced time period for the giving of a stockholder’s notice and that the number of nominees a stockholder may nominate for election at the annual meeting shall not exceed the number of directors to be elected at such annual meeting.

The Amended and Restated Bylaws have also been updated to reflect several recent DGCL amendments, including: (i) clarifying the adjournment procedures for virtual meetings of stockholders; (ii) clarifying that the Company’s notice of meetings will be provided in the manner required by the federal proxy rules, subject to compliance with the DGCL provisions addressing electronic notice; (iii) deleting the requirement to make available stockholder lists at stockholder meetings; and (iv) clarifying that written consents do not need to be filed with the minutes of the proceedings of the Board or committee in order to be effective.

Additionally, the Amended and Restated Bylaws also (i) reserve a white proxy card for the exclusive use of the Company; (ii) define and clarify the role of the chair of the meeting; (iii) remove reference to the director resignation policy, which will instead be addressed in corporate governance guidelines in line with market practice; (iv) remove the provision allowing director removal in the event of a director's breach of any agreement between such director and the Company relating to such director's service to the Company; (v) update provisions related to inspectors of elections and the rules and regulations for the conduct of meetings; (vi) make certain changes to the provisions relating to the Board and officer appointments to provide additional flexibility; and (vii) provide for the federal district courts of the United States of America to be the exclusive forum for actions arising under the Securities Act of 1933, as amended, unless the Company consents in writing to the selection of an alternative forum. The Amended and Restated Bylaws also incorporate technical and conforming revisions and clarifications.

The foregoing description of the Amended and Restated Bylaws is qualified in its entirety by reference to the Amended and Restated Bylaws which are filed as Exhibit 3.5 to this Annual Report on Form 10-K and incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information required to be set forth hereunder has been omitted and will be incorporated by reference, when filed, from our Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

Information required to be set forth hereunder has been omitted and will be incorporated by reference, when filed, from our Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required to be set forth hereunder has been omitted and will be incorporated by reference, when filed, from our Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information required to be set forth hereunder has been omitted and will be incorporated by reference, when filed, from our Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required to be set forth hereunder has been omitted and will be incorporated by reference, when filed, from our Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

FINANCIAL STATEMENTS

The following financial statements are included in Part II, Item 8, "Financial Statements and Supplementary Data," in this Annual Report on Form 10-K:

- Consolidated Statements of Income for the years ended December 31, 2024, 2023, and 2022.
- Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023, and 2022.
- Consolidated Balance Sheets as of December 31, 2024 and 2023.
- Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023, and 2022.
- Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2024, 2023, and 2022.
- Notes to Consolidated Financial Statements for the years ended December 31, 2024, 2023, and 2022 and as of December 31, 2024 and 2023.

SCHEDULES

Schedules are omitted because they are not required or applicable, or the required information is included in the Consolidated Financial Statements or related notes.

EXHIBITS

See Exhibit Index.

EXHIBIT INDEX

3.1	Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc. (filed as Exhibit 3.1 to KDP's Current Report on Form 8-K (filed on May 12, 2008) and incorporated herein by reference).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc. effective as of May 17, 2012 (filed as Exhibit 3.2 to KDP's Quarterly Report on Form 10-Q (filed on July 26, 2012) and incorporated herein by reference).
3.3	Certificate of Second Amendment to Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc. effective as of May 19, 2016 (filed as Exhibit 3.1 to KDP's Current Report on Form 8-K (filed on May 20, 2016) and incorporated herein by reference).
3.4	Certificate of Third Amendment to the Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc. effective as of July 9, 2018 (filed as Exhibit 3.1 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
3.5*	Amended and Restated By-Laws of Keurig Dr Pepper Inc. effective as of February 20, 2025.
4.1	Indenture, dated April 30, 2008, between Dr Pepper Snapple Group, Inc. and Wells Fargo Bank, N.A. (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on May 1, 2008) and incorporated herein by reference).
4.2	Registration Rights Agreement, dated April 30, 2008, between Dr Pepper Snapple Group, Inc., J.P. Morgan Securities Inc., Banc of America Securities LLC, Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated, UBS Securities LLC, BNP Paribas Securities Corp., Mitsubishi UFJ Securities International plc, Scotia Capital (USA) Inc., SunTrust Robinson Humphrey, Inc., Wachovia Capital Markets, LLC and TD Securities (USA) LLC (filed as Exhibit 4.5 to KDP's Current Report on Form 8-K (filed on May 1, 2008) and incorporated herein by reference).
4.3	Registration Rights Agreement Joinder, dated May 7, 2008, by the subsidiary guarantors named therein (filed as Exhibit 4.2 to KDP's Current Report on Form 8-K (filed on May 12, 2008) and incorporated herein by reference).
4.4	Supplemental Indenture, dated May 7, 2008, among Dr Pepper Snapple Group, Inc., the subsidiary guarantors named therein and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on May 12, 2008) and incorporated herein by reference).
4.5	Second Supplemental Indenture dated March 17, 2009, to be effective as of December 31, 2008, among Splash Transport, Inc., as a subsidiary guarantor, Dr Pepper Snapple Group, Inc., and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.8 to KDP's Annual Report on Form 10-K (filed on March 26, 2009) and incorporated herein by reference).
4.6	Third Supplemental Indenture, dated October 19, 2009, among 234DP Aviation, LLC, as a subsidiary guarantor; Dr Pepper Snapple Group, Inc., and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.9 to KDP's Quarterly Report on Form 10-Q (filed on November 5, 2009) and incorporated herein by reference).
4.7	Fourth Supplemental Indenture, dated as of January 31, 2017, among Bai Brands LLC, a New Jersey limited liability company, 184 Innovations Inc., a Delaware corporation (each as a new subsidiary guarantor under the Indenture dated April 30, 2008 (as referenced in Item 4.1 in this Exhibit Index)), Dr Pepper Snapple Group, Inc., each other then-existing Guarantor under the Indenture and Wells Fargo, National Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on February 2, 2017) and incorporated herein by reference).
4.8	Indenture, dated as of December 15, 2009, between Dr Pepper Snapple Group, Inc. and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on December 23, 2009) and incorporated herein by reference).
4.9	Fifth Supplemental Indenture, dated as of November 9, 2015, among Dr Pepper Snapple Group, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on November 10, 2015) and incorporated herein by reference).
4.10	3.40% Senior Note due 2025 (in global form), dated November 9, 2015, in the principal amount of \$500,000,000 (filed as Exhibit 4.2 to KDP's Current Report on Form 8-K (filed on November 10, 2015) and incorporated herein by reference).
4.11	4.50% Senior Note due 2045 (in global form), dated November 9, 2015, in the principal amount of \$250,000,000 (filed as Exhibit 4.3 to KDP's Current Report on Form 8-K (filed on November 10, 2015) and incorporated herein by reference).
4.12	Sixth Supplemental Indenture, dated as of September 16, 2016, among Dr Pepper Snapple Group, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on September 16, 2016) and incorporated herein by reference).
4.13	2.55% Senior Note due 2026 (in global form), dated September 16, 2016, in the principal amount of \$400,000,000 (filed as Exhibit 4.2 to KDP's Current Report on Form 8-K (filed on September 16, 2016) and incorporated herein by reference).

4.14	Seventh Supplemental Indenture, dated as of December 14, 2016, among Dr Pepper Snapple Group, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on December 14, 2016) and incorporated herein by reference).
4.15	3.43% Senior Note due 2027 (in global form), dated December 14, 2016, in the principal amount of \$400,000,000 (filed as Exhibit 4.4 to KDP's Current Report on Form 8-K (filed on December 14, 2016) and incorporated herein by reference).
4.16	4.42% Senior Note due 2046 (in global form), dated December 14, 2016, in the principal amount of \$400,000,000 (filed as Exhibit 4.5 to KDP's Current Report on Form 8-K (filed on December 14, 2016) and incorporated herein by reference).
4.17	Eighth Supplemental Indenture, dated as of January 31, 2017, among Bai Brands LLC, a New Jersey limited liability company, 184 Innovations Inc., a Delaware corporation (each as a new subsidiary guarantor under the Indenture dated April 30, 2008 (as referenced in Item 4.1 in this Exhibit Index), Dr Pepper Snapple Group, Inc., each other then-existing Guarantor under the Indenture) and Wells Fargo, National Bank, N.A., as trustee (filed as Exhibit 4.2 to KDP's Current Report on Form 8-K (filed on February 2, 2017) and incorporated herein by reference).
4.18	Ninth Supplemental Indenture, dated as of June 15, 2017, among Dr Pepper Snapple Group, Inc., the guarantors party thereto, and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on June 15, 2017) and incorporated herein by reference).
4.19	Investor Rights Agreement by and among Keurig Dr Pepper Inc. and The Holders Listed on Schedule A thereto, dated as of July 9, 2018 (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.20	Base Indenture, dated as of May 25, 2018 between Maple Escrow Subsidiary and Wells Fargo Bank, N.A. as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.21	Second Supplemental Indenture (including the form of note), dated as of May 25, 2018, among Maple Escrow Subsidiary, Inc. and Maple Parent Holdings Corp. as parent guarantor, and Wells Fargo Bank, N.A., as trustee relating to the 2023 Notes (filed as Exhibit 4.3 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.22	Third Supplemental Indenture (including the form of note), dated as of May 25, 2018, among Maple Escrow Subsidiary, Inc. and Maple Parent Holdings Corp. as parent guarantor, and Wells Fargo Bank, N.A., as trustee relating to the 2025 Notes (filed as Exhibit 4.4 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.23	Fourth Supplemental Indenture (including the form of note), dated as of May 25, 2018, among Maple Escrow Subsidiary, Inc. and Maple Parent Holdings Corp. as parent guarantor, and Wells Fargo Bank, N.A., as trustee relating to the 2028 Notes (filed as Exhibit 4.5 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.24	Fifth Supplemental Indenture (including the form of note), dated as of May 25, 2018, among Maple Escrow Subsidiary, Inc. and Maple Parent Holdings Corp. as parent guarantor, and Wells Fargo Bank, N.A., as trustee relating to the 2038 Notes (filed as Exhibit 4.6 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.25	Sixth Supplemental Indenture (including the form of note), dated as of May 25, 2018, among Maple Escrow Subsidiary, Inc. and Maple Parent Holdings Corp. as parent guarantor, and Wells Fargo Bank, N.A., as trustee relating to the 2048 Notes (filed as Exhibit 4.7 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.26	Seventh Supplemental Indenture, dated as of July 9, 2018, among Keurig Dr Pepper Inc., the subsidiary guarantors thereto, and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.8 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.27	Registration Rights Agreement, dated as of May 25, 2018, among Maple Escrow Subsidiary, Inc. and J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs & Co. LLC and Citigroup Global Markets Inc., as representative of the several purchasers of the Notes (filed as Exhibit 4.9 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.28	Joinder to the Registration Rights Agreement, dated as of May 25, 2018, among Maple Escrow Subsidiary, Inc. and J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs & Co. LLC and Citigroup Global Markets Inc., as representative of the several purchasers of the Notes (filed as Exhibit 4.10 to KDP's Current Report on Form 8-K (filed on July 9, 2018) and incorporated herein by reference).
4.29*	Description of registered securities.
4.30	Tenth Supplemental Indenture (including 3.20% Senior Notes Due 2030 and 3.80% Senior Notes Due 2050 (in global form)), dated as of April 13, 2020, among Keurig Dr Pepper Inc., the subsidiary guarantors thereto, and Wells Fargo Bank, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on April 13, 2020) and incorporated herein by reference).

4.31	Eleventh Supplemental Indenture (including 0.750% Senior Notes Due 2024, 2.250% Senior Notes Due 2031, and 3.350% Senior Notes Due 2051 (in global form)), dated as of March 15, 2021, among Keurig Dr Pepper Inc., the subsidiary guarantors thereto, and Wells Fargo Bank, N.A. as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on March 15, 2021) and incorporated herein by reference).
4.32	Twelfth Supplemental Indenture, dated as of April 22, 2022, among Keurig Dr Pepper Inc., the guarantors party thereto and Computershare Trust Company, N.A., as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on April 22, 2022) and incorporated herein by reference).
4.33	Base Indenture, dated as of March 7, 2024, among Keurig Dr Pepper Inc., the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee (filed as Exhibit 4.1 to KDP's Current Report on Form 8-K (filed on March 7, 2024) and incorporated herein by reference).
4.34	First Supplemental Indenture (including Floating Rate Senior Notes Due 2027, 5.100% Senior Notes Due 2027, 5.050% Senior Notes Due 2029, 5.200% Senior Notes Due 2031, and 5.300% Senior Notes Due 2034 (in global form)), dated as of March 7, 2024, among Keurig Dr Pepper Inc., the subsidiary guarantors thereto and U.S. Bank Trust Company, National Association, as trustee (filed as Exhibit 4.2 to KDP's Current Report on Form 8-K (filed on March 7, 2024) and incorporated herein by reference).
4.35*	Term Loan Credit Agreement, dated as of October 25, 2024, among Keurig Dr Pepper Inc., the lenders party thereto and Bank of America, N.A., as administrative agent.
10.1	Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Incentive Plan of 2009 (filed as Exhibit 10.7 to KDP's Quarterly Report on Form 10-Q (filed on November 7, 2018) and incorporated herein by reference).++
10.2	Matching Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Incentive Plan of 2009 (filed as Exhibit 10.8 to KDP's Quarterly Report on Form 10-Q (filed on November 7, 2018) and incorporated herein by reference).++
10.3	Directors' Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Incentive Plan of 2009 (filed as Exhibit 10.9 to KDP's Quarterly Report on Form 10-Q (filed on November 7, 2018) and incorporated herein by reference).++
10.4	Keurig Dr Pepper Inc. Omnibus Stock Incentive Plan of 2019 (filed as Exhibit 10.1 to KDP's Current Report on Form 8-K (filed on June 11, 2019) and incorporated herein by reference).++
10.5	Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Stock Incentive Plan of 2019 (filed as Exhibit 10.13 to KDP's Quarterly Report on Form 10-Q (filed on August 8, 2019) and incorporated herein by reference).++
10.6	Matching Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Stock Incentive Plan of 2019 (filed as Exhibit 10.14 to KDP's Quarterly Report on Form 10-Q (filed on August 8, 2019) and incorporated herein by reference).++
10.7	Keurig Dr Pepper Inc. Severance Pay Plan for Executives, effective as of January 1, 2020 (filed as Exhibit 10.12 to KDP's Annual Report on Form 10-K (filed on February 27, 2020) and incorporated herein by reference).++
10.8	Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Stock Incentive Plan of 2019 (retention incentive awards for certain of KDP's Named Executive Officers) (filed as Exhibit 10.14 to KDP's Quarterly Report on Form 10-Q (filed on October 29, 2020) and incorporated herein by reference).++
10.9	Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Stock Incentive Plan of 2019, amended and restated as of December 7, 2020 (retention incentive award for one of KDP's Named Executive Officers).++
10.10	Keurig Dr Pepper Short-Term Incentive Plan and Sales Incentive Plan (filed as Exhibit 10.11 to KDP's Annual Report on Form 10-K (filed on February 24, 2022) and incorporated herein by reference).++
10.11	Credit Agreement, dated as of February 23, 2022, among Keurig Dr Pepper Inc., JPMorgan Chase Bank, N.A. as administrative agent, and the lenders and issuing banks party thereto (filed as Exhibit 10.15 to the KDP's Annual Report on Form 10-K (filed on February 24, 2022) and incorporated herein by reference).
10.12	Letter Agreement by and between KDP and Robert J. Gamgort dated April 5, 2022 (filed as Exhibit 10.1 to KDP's Current Report on Form 8-K (filed on April 5, 2022) and incorporated herein by reference).
10.13	Keurig Dr Pepper Inc. Executive Severance Plan, effective as of July 29, 2022 (filed as Exhibit 10.4 to KDP's Quarterly Report on Form 10-Q (filed on July 28, 2022) and incorporated herein by reference).++
10.14	Letter Agreement by and between KDP and Sudhanshu Priyadarshi dated October 21, 2022 (filed as Exhibit 10.18 to KDP's Annual Report on Form 10-K (filed on February 23, 2023) and incorporated herein by reference).++
10.15	Keurig Dr Pepper Short-Term Incentive Plan (filed as Exhibit 10.20 to KDP's Annual Report on Form 10-K (filed on February 23, 2023) and incorporated herein by reference).++

10.16	Letter Agreement by and between KDP and Timothy Cofer dated September 18, 2023 (filed as Exhibit 10.1 to KDP's Quarterly Report on Form 10-Q (filed on October 26, 2023) and incorporated herein by reference).++
10.17	Letter Agreement by and between KDP and Andrew Archambault dated October 31, 2023.++
10.18	Restricted Stock Unit Award Terms and Conditions under the Keurig Dr Pepper Omnibus Stock Incentive Plan of 2019 (award for certain of KDP's Named Executive Officers).++
10.19*‡	Amended and Restated Contribution and Merger Agreement, dated December 31, 2024, by and among Ghost Lifestyle LLC, The American Bottling Company, Phantom Merger Sub I LLC and certain other parties thereto.
10.20*‡	Ghost Lifestyle LLC Second Amended and Restated Limited Liability Company Agreement, dated December 31, 2024.
19.1*	Insider Trading Policy
21.1*	List of Subsidiaries of Keurig Dr Pepper Inc.
22.1	List of Guarantor Subsidiaries (filed as Exhibit 22.1 to KDP's Quarterly Report on Form 10-Q (filed on June 30, 2020) and incorporated herein by reference).
23.1*	Consent of Deloitte & Touche LLP
31.1*	Certification of Chief Executive Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act.
31.2*	Certification of Chief Financial Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act.
32.1**	Certification of Chief Executive Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(b) or 15d-14(b) promulgated under the Exchange Act, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2**	Certification of Chief Financial Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(b) or 15d-14(b) promulgated under the Exchange Act, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
97.1	Keurig Dr Pepper Inc. Clawback Policy, As Adopted on September 18, 2023++
101*	The following financial information from Keurig Dr Pepper Inc.'s Annual Report on Form 10-K for the year ended December 31, 2024, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Income, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statement of Changes in Stockholders' Equity, and (vi) the Notes to the Audited Consolidated Financial Statements.
104*	The cover page from this Annual Report on Form 10-K, formatted as Inline XBRL.

* Filed herewith.

** Furnished herewith.

++ Indicates a management contract or compensatory plan or arrangement.

‡ Certain portions of this exhibit have been omitted from this filing pursuant to Item 601 of Regulation S-K.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

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.

Keurig Dr Pepper Inc.

By: /s/ Sudhanshu Priyadarshi

Name: Sudhanshu Priyadarshi

Title: Chief Financial Officer
(Principal Financial Officer)

Date: February 25, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on February 25, 2025.

By: /s/ Timothy Cofer

Name: Timothy Cofer

Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Sudhanshu Priyadarshi

Name: Sudhanshu Priyadarshi

Title: Chief Financial Officer
(Principal Financial Officer)

By: /s/ Angela A. Stephens

Name: Angela A. Stephens

Title: Senior Vice President and Controller
(Principal Accounting Officer)

By: /s/ Robert J. Gamgort

Name: Robert J. Gamgort

Title: Executive Chairman of the Board of Directors

By: /s/ Oray Boston

Name: Oray Boston

Title: Director

By: /s/ Joachim Creus

Name: Joachim Creus

Title: Director

By: /s/ Frank Engelen

Name: Frank Engelen

Title: Director

By: /s/ Olivier Goudet

Name: Olivier Goudet

Title: Director

By: /s/ Juliette Hickman

Name: Juliette Hickman

Title: Director

By: /s/ Paul Michaels

Name: Paul Michaels

Title: Director

By: /s/ Pamela Patsley

Name: Pamela Patsley

Title: Director

By: /s/ Debra Sandler

Name: Debra Sandler

Title: Director

By: /s/ Robert Singer

Name: Robert Singer

Title: Director

**AMENDED AND RESTATED
BYLAWS
OF
KEURIG DR PEPPER INC.**

As of FEBRUARY 20, 2025

**ARTICLE I
OFFICES**

Section 1. Registered Office. The registered office of Keurig Dr Pepper Inc. (the “Corporation”) shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the “Board”) may from time to time determine or the business of the Corporation may require.

**ARTICLE II
MEETINGS OF STOCKHOLDERS**

Section 1. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held for the purpose of electing directors and conducting such other business as may properly come before the meeting in accordance with Article II, Section 6. The date, time and place, within or outside the State of Delaware, or no place, solely by means of remote communication, of the annual meeting shall be determined by the Board and stated in the notice of the meeting or in a waiver of notice of such annual meeting.

Section 2. Special Meetings. Special meetings of stockholders may be held at such date, time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a waiver of notice thereof. Special meetings of the stockholders may be called only by the Chairman of the Board, the Chief Executive Officer or by resolution duly adopted by the affirmative vote of the majority of the members of the Board, and may not be called by any other person or persons. Any such resolution shall be sent to the Chairman of the Board or the Chief Executive Officer and the Secretary or Assistant Secretary and shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting is limited to the purposes stated in the notice.

Section 3. Notice. (a) Except as otherwise provided by applicable law or the Amended and Restated Certificate of Incorporation (as the same may be amended and/or restated from time to time, the “Certificate of Incorporation”) or these Amended & Restated Bylaws (as the same may be amended and/or restated from time to time, the “Bylaws”), notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to in a manner consistent with the General Corporation Law of the State of Delaware as it now exists and may hereinafter be amended (the “DGCL”) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, date and time of the meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called.

(b) When a meeting is adjourned to another place, date or time (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), notice need not be given of the adjourned meeting if the place, if any, date and time thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are: (i) announced at the meeting at which the adjournment is taken; (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxyholders to participate in the meeting by means of remote communication; or (iii) set forth in the notice of meeting given in accordance with this Section 3; provided, however, that if the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the

adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 2 of Article VI herein, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

(c) If notice is given by mail, such notice shall be deemed given: (i) if mailed, when notice is deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's mailing address as it appears on the records of the Corporation; and (ii) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address.

(d) So long as the Corporation is subject to the Securities and Exchange Commission's proxy rules set forth in Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), notice shall be given in the manner required by such rules. To the extent permitted by such rules, notice may be given by electronic transmission directed to the stockholder's electronic mail address, and if so given, shall be given when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by Section 232(e) of the DGCL. If notice is given by electronic mail, such notice shall comply with the applicable provisions of Sections 232(a) and 232(d) of the DGCL. Notice may be given by other forms of electronic transmission with the consent of a stockholder in the manner permitted by Section 232(b) of the DGCL, and shall be deemed given as provided therein. Notwithstanding the foregoing, notice may be given to stockholders sharing an address in the manner and to the extent permitted by the DGCL and by the "householding" rules set forth in Rule 14a-3(e) under the Exchange Act.

Section 4. Stockholders List. The Corporation shall prepare, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, specifying the address of and the class and number of shares registered in the name of each stockholder. Nothing in this Section 4 shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days ending on the day before the meeting date: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting; or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

Section 5. Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by law or by the Certificate of Incorporation. If a quorum is not present, the holders of the shares present in person or represented by proxy at the meeting, and entitled to vote thereat, shall have the power, by the affirmative vote of the holders of a majority of such shares, to adjourn the meeting to another time and/or place, without notice, other than as required in Section 3(b) above and other than announcement at the meeting at which the adjournment was taken, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. In addition, any annual or special meeting of stockholders, whether or not a quorum is present, may be adjourned or recessed for any reason from time to time by the chair of the meeting, subject to any rules and regulations adopted by the Board.

Section 6. Advance Notice of Stockholder Nominations and Other Business to Be Transacted at Annual Meeting. (a) Nominations of persons for election to the Board ("Nominations") and the proposal of business other than Nominations ("Business") may be transacted at an annual meeting of stockholders, only: (A) pursuant to the notice of meeting (or any supplement thereto) given by or at the direction of the Board (or any duly authorized committee thereof); (B) by or at the direction of the Board (or any duly authorized committee thereof); or (C) by a stockholder of the Corporation who (1) is a stockholder of record on both (x) the date of the giving of the notice provided for in this Section 6 and (y) the record date for the determination of stockholders entitled to vote at such annual meeting and (2) has complied with the notice procedures set forth in this Section 6. For the avoidance of doubt, the foregoing clause (C) shall be the exclusive means for a stockholder to make Nominations and propose

Business before an annual meeting of stockholders (other than a proposal included in the Corporation's proxy statement pursuant to and in compliance with Rule 14a-8 under the Exchange Act.)

(b) In addition to any other applicable requirements, for Nominations and Business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of the foregoing paragraph, such stockholder must have given timely notice thereof in proper written form to the Secretary as set forth below, and the Business must constitute a proper matter under Delaware law for stockholder action.

(c) To be timely, a stockholder's notice regarding any Nomination and/or proposed Business shall be delivered to the Secretary at the principal executive offices of the Corporation and received not later than the close of business (as defined in Section 6(e) below) on the 90th day nor earlier than the close of business on the 120th day prior to the anniversary date of the immediately preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary date of the immediately preceding year's annual meeting (or if no annual meeting was held in the preceding year), notice by the stockholder to be timely must be delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10th day following the day on which notice of such annual meeting was mailed or public announcement (as defined in Section 6(e) below) of the date of such meeting is first made, whichever first occurs. In no event shall an adjournment or recess of an annual meeting, or a postponement of an annual meeting for which notice of the meeting has already been given to stockholders or a public announcement of the meeting date has already been made, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. The number of nominees a stockholder may nominate for election at the annual meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the annual meeting on behalf of the beneficial owner) shall not exceed the number of directors to be elected at such annual meeting. Notwithstanding anything to the contrary in this Section 6, in the event that the number of directors to be elected to the Board at the annual meeting is increased effective after the time period for which Nominations would otherwise be due under this Section 6 and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 6 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth:

(i) as to each person whom the stockholder proposes to nominate for election or re-election as a director (for purposes of this Section 6, each a "nominee"): (1) the name, age, business address and residence address of the nominee; (2) the principal occupation or employment of the nominee; (3) the class or series and number of shares of capital stock of the Corporation, if any, which are Beneficially Owned (as defined in Section 6(e)) or held of record by the nominee as of the date of notice; (4) the stockholder's agreement to notify the Corporation in writing within five business days after the record date for the annual or special meeting of the class or series and number of shares of capital stock of the Corporation, if any, which are owned beneficially and of record by such nominee as of such record date; (5) all other information relating to the nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and (6) the information and documents required to be submitted by nominees pursuant to Section 8 below within the time period for delivery of a stockholder notice specified in Section 6(c) above.

(ii) as to each Business such stockholder proposes to bring before the annual meeting (1) a brief description of such Business desired to be brought before the annual meeting, including the complete text of any resolutions to be presented at the annual meeting (and in the event that such Business includes a proposal to amend the Bylaws, the language of the proposed amendment), and the reasons for proposing such Business at the annual meeting and (2) any substantial interest (within the meaning of Item 5 of Schedule 14A under the Exchange Act) in such business of such stockholder and the beneficial owner (within the meaning of Section 13(d) of the Exchange Act), if any, on whose behalf the business is being

proposed and, if such stockholder or beneficial owner is an entity, any Control Person (as defined in Section 6(d)(iv) below);

(iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the Nomination is made or the Business is proposed: (1) the name and record address, as they appear on the corporation's books, of such stockholder, and the name and address of such beneficial owner; (2) the class or series and number of shares of capital stock of the Corporation which are owned of record by such stockholder or beneficial owner as of the date of the notice; and (3) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and the stockholder (or a Qualified Representative of the stockholder, as defined in Section 6(e) below) intends to appear at the meeting to make such Nomination or present such Business;

(iv) as to the stockholder giving the notice or, if the notice is given on behalf of a beneficial owner on whose behalf the Business is proposed, as to such beneficial owner, and if such stockholder or beneficial owner is an entity, as to each individual who is a director, executive officer, general partner or managing member of such entity or of any other entity that has or shares control of such entity (any such individual or entity, a "Control Person");

(1) the class or series and number of shares of capital stock of the Corporation that are Beneficially Owned by such stockholder or beneficial owner and by any Control Person, in each case, as of the date of the notice;

(2) a description of (x) any plans or proposals which such stockholder, beneficial owner, if any, or Control Person may have with respect to securities of the Corporation that would be required to be disclosed pursuant to Item 4 of Schedule 13D under the Exchange Act and (y) any agreement, arrangement or understanding among such stockholder, beneficial owner, if any, or Control Person and any other person or persons (including their names) in connection with the Nomination or proposal of such Business by such stockholder or beneficial owner, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of Schedule 13D of the Exchange Act which description shall include, in addition to all other information, information identifying all parties thereto (in the case of either clause (x) or (y) (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder or beneficial owner));

(3) a description (which description shall include, in addition to all other information, information identifying all parties thereto) of any "Derivative Instrument" (as defined in Section 6(e) below), that has been entered into as of the date of the stockholder's notice by, or on behalf, of such stockholder, beneficial owner, if any, or Control Person;

(4) a representation as to whether the stockholder, the beneficial owner, if any, or Control Person or any other participant (as defined in Item 4 of Schedule 14A under the Exchange Act) will engage in a solicitation (within the meaning of Exchange Act Rule 14a-1(1)) with respect to the Nomination or proposed Business and, if so, whether such solicitation will be conducted as an exempt solicitation as described in Rule 14a-2(b) under the Exchange Act, the name of each participant in such solicitation, the amount of the cost of solicitation that has been and will be borne, directly or indirectly, by each participant in such solicitation and (x) in the case of a proposal of Business, whether such person or group intends to deliver, through means satisfying each of the conditions that would be applicable to the Corporation under either Rule 14a-16(a) under the Exchange Act or Rule 14a-16(n) under the Exchange Act, a proxy statement and form of proxy to holders (including any beneficial owners pursuant to Rule 14b-1 and Rule 14b-2 of the Exchange Act) of at least the percentage of the Corporation's outstanding capital stock required under applicable law to approve or adopt the proposed Business or (y) in the case of any non-exempt solicitation made with respect to any Nomination, confirming that such person or group will deliver, through means satisfying each of the conditions that would be applicable to the Corporation under either Rule 14a-16(a) under the Exchange Act or Rule 14a-16(n) under the Exchange Act, a proxy statement and form of proxy to holders (including any beneficial owners

pursuant to Rule 14b-1 and Rule 14b-2 of the Exchange Act) of at least sixty-seven percent (67%) of the voting power of the Corporation's stock entitled to vote generally in the election of directors;

(5) a representation that promptly after soliciting proxies from the holders of the Corporation's stock referred to in the representation required under the immediately preceding clause (4), and in any event no later than the 10th day before such meeting of stockholders, such stockholder, beneficial owner, if any, Control Person or participant will provide the Corporation with documentation, which may take the form of a certified statement and documentation from a proxy solicitor, confirming that the necessary steps have been taken to deliver a proxy statement and form of proxy to holders of such percentage of the voting power of the Corporation's stock entitled to vote generally in the election of directors; and

(6) any other information relating to such stockholder, beneficial owner, if any, or Control Person that would be required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Exchange Act, whether or not an election contest is involved.

In addition, to be in proper written form, a stockholder's notice to the Secretary must be supplemented not later than five business days following the record date for such meeting to disclose the information contained in Section 6(d)(iii)(2) and Section 6(d)(iv)(1)-(3) as of the record date for the meeting.

(e) Definitions.

(i) For purposes of Section 6(d), shares shall be treated as "Beneficially Owned" by a person if the person beneficially owns such shares, directly or indirectly, for purposes of Section 13(d) of the Exchange Act and Regulations 13D and 13G thereunder or has or shares pursuant to any agreement, arrangement or understanding (whether or not in writing): (1) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time or the fulfillment of a condition or both); (2) the right to vote such shares, alone or in concert with others; and/or (3) investment power with respect to such shares, including the power to dispose of, or to direct the disposition of, such shares.

(ii) For purposes of Section 6 and Section 7, the "close of business" shall mean 6:00 p.m. local time at the principal executive offices of the Corporation on any calendar day, whether or not the day is a business day.

(iii) For purposes of Section 6(d)(iv), a "Derivative Instrument" means any agreement, arrangement or understanding (including any derivative or short positions, profit interests, option, warrant, forward contract, swap, contract of sale, convertible securities, stock appreciation or similar rights, hedging or pledging transactions, voting rights, dividend rights and any borrowing or lending of shares), whether the instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding shares of stock, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the share price of any class or series of capital stock of the Corporation, or to maintain, increase or decrease the voting power of the stockholder or beneficial owner, if any, or Control Person with respect to any securities of the Corporation.

(iv) For purposes of Section 6(d) and Section 7(b), a matter shall be deemed to have been "publicly announced" if such matter is disclosed in a press release reported by the Dow Jones News Service, the Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission and a "public announcement" shall be deemed to have been made on such date.

(v) For purposes of this Section 6, to be considered a “Qualified Representative” of a stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the making of such Nomination or proposal of Business at such meeting (and in any event not fewer than five business days before the meeting) stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders.

(f) General. Except as otherwise required by law, only such persons who are nominated in accordance with the procedures set forth in this Section 6 or Section 7 shall be eligible to be elected at any meeting of stockholders of the Corporation to serve as directors and only such other Business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 6. Notwithstanding any other provision of these Bylaws, a stockholder (and any beneficial owner on whose behalf a Nomination is made or other Business is proposed, and if such stockholder or beneficial owner is an entity, any Control Person) shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 6; provided, however, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to Nominations or proposals as to Business to be considered pursuant to this Section 6 or Section 7. Except as otherwise provided by applicable law, the Board (or an authorized committee thereof), or, at any meeting of stockholders, each of the Board, the chair of the meeting and the Chairman of the Board (in the case of Chairman of the Board and chair of the meeting, subject to the supervision, discretion and control of the Board) shall have the power to determine whether a Nomination or Business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws (including whether a stockholder or beneficial owner provided all information and complied with all representations required under Section 6, Section 7 and/or Section 8 and/or complied with the requirements of Rule 14a-19 under the Exchange Act). If any proposed Nomination or other Business is not in compliance with these Bylaws, including due to a failure to comply with the requirements of Rule 14a-19 under the Exchange Act, then except as otherwise required by law, the chair of the meeting (subject to the supervision, discretion and control of the Board) shall have the power to declare at the meeting that the Nomination or other Business was not made in accordance with the procedures prescribed by these Bylaws and that the defective Nomination or Business shall be disregarded, notwithstanding that proxies and votes in respect of any such Nomination or other Business may have been received by the Corporation. In furtherance and not by way of limitation of the foregoing provisions of this Section 6, unless otherwise required by law, or otherwise determined by the Board, or the chair of the meeting (subject to the supervision, discretion and control of the Board), if: (i) the stockholder does not provide (or supplement) the information required under Section 6 or Section 8 to the Corporation within the time frames specified herein or (ii) the stockholder (or a Qualified Representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present a Nomination or other Business, in each case, such Nomination shall be disregarded and such other Business shall not be transacted, notwithstanding that proxies and votes in respect of any such Nomination or other Business may have been received by the Corporation.

(g) Notwithstanding the provisions of this Section 6, in order to include information with respect to a stockholder proposal in the Corporation’s proxy statement and form of proxy for an annual meeting, stockholders must provide notice as required by Rule 14a-8 under the Exchange Act, and the foregoing notice requirements of this Section 6 will not apply to stockholders who have notified the Corporation of their intention to present a stockholder proposal at a meeting of stockholders only pursuant to and in compliance with Rule 14a-8 under the Exchange Act and such proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such meeting.

(h) Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use for solicitation by the Board.

Section 7. Advance Notice Provisions for Nominations for Election of Directors for Special Meetings. (a) For a special meeting of stockholders at which one or more directors are to be elected pursuant to Section 2 of Article II, Nominations shall be made only: (A) by or at the direction of the Board (or any duly authorized committee thereof); or (B) provided that the Board of Directors has determined that one or more directors are to be elected at such meeting, by any stockholder of the Corporation who is: (1) a stockholder of record on both (x) the

date of the giving of the notice provided for in this Section 7 and (y) the record date for the determination of stockholders entitled to vote at such annual or special meeting and (2) delivers a timely written notice of the Nomination to the Secretary that includes the information set forth in Section 6(d) above, including the additional information required by Section 8 below. If a stockholder is entitled to vote only for a specific class or category of directors at an annual or special meeting of the stockholders, such stockholder's right to make a Nomination pursuant to this Section 7 shall be limited to such class or category of directors.

(b) To be timely, a stockholder's notice regarding a Nomination required by this Section 7 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of (x) the 90th day prior to such special meeting or (y) the 10th day following the day on which notice of the date of such special meeting was mailed or public announcement of the date of such special meeting was made, whichever first occurs. In no event shall an adjournment or recess of a special meeting, or a postponement of a special meeting for which notice of the meeting has already been given to stockholders or a public announcement of the meeting date has already been made, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. The number of nominees a stockholder may nominate for election at the special meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the special meeting on behalf of the beneficial owner) shall not exceed the number of directors to be elected at such special meeting.

Section 8. Submission of Information Regarding Director Nominees.

(a) As to each person whom a stockholder proposes to nominate for election or reelection as a director of the Corporation under Section 6 or Section 7 above, a person must deliver to the Secretary at the principal executive offices of the Corporation the following information:

(i) a written representation and agreement, which shall be signed by the person proposed to be nominated and pursuant to which such person shall represent and agree that such person: (1) consents to serving as a director if elected and to being named as a nominee in a proxy statement and form of proxy relating to the meeting at which directors are to be elected and to serving as a director if elected, and currently intends to serve as a director for the full term for which such person is standing for election; (2) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity: (x) as to how the person, if elected as a director, will act or vote on any issue or question that has not been disclosed to the Corporation; or (y) that could limit or interfere with the person's ability to comply, if elected as a director, with such person's fiduciary duties under applicable law; (3) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director or nominee that has not been disclosed to the Corporation; and (4) if elected as a director, will comply with all of the Corporation's corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines, and any other corporation policies and guidelines applicable to directors (which will be provided by the Secretary of the Corporation within five business days following a request therefor); and

(ii) fully completed and signed questionnaire(s) prepared by the Corporation with respect to the background and qualification of such person that the Corporation determines is necessary or advisable to assess whether a nominee will satisfy any qualifications or requirements imposed by the Certificate of Incorporation or these Bylaws, any law, rule, regulation or listing standard that may be applicable to the Corporation (all of the foregoing, "Questionnaires"). The Questionnaires will be provided by the Secretary of the Corporation within five business days following a request therefor.

(b) A nominee for election or re-election as a director of the Corporation shall also provide to the Corporation such other information as it may reasonably request to determine whether such proposed nominee is qualified under the Certificate of Incorporation or these Bylaws and any law, rule, regulation or listing standard that may be applicable to the Corporation, including information relevant to a determination whether such person can be considered an independent director.

(c) If a stockholder has submitted notice of an intent to nominate a candidate for election or re-election as a director pursuant to Section 6 or Section 7 above, all written and signed representations and agreements and all fully completed and signed Questionnaires required pursuant to Section 8(a) above shall be provided to the Corporation at the same time as such notice, and the additional information described in Section 8(b) above shall be provided to the Corporation promptly upon request by the Corporation, but in any event within five business days after such request. All information provided pursuant to Section 8(a) and (b) shall be deemed part of the stockholder's notice submitted pursuant to Section 6 or Section 7, as applicable.

Section 9. Inspectors. Before any meeting of stockholders, the Corporation may, and shall if required by law, appoint one or more inspectors of election to act at the meeting and make a written report thereof. Inspectors may be employees of the Corporation. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chair of the meeting may, and shall if required by law, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. Inspectors need not be stockholders. No director or nominee for the office of director at an election shall be appointed as an inspector at such election. Such inspectors shall: (a) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots; (b) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; (c) count and tabulate all votes and ballots; and (d) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

Section 10. Voting; Proxies. (a) Except as otherwise provided by applicable law or in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder on the record date for the meeting. The ability of the stockholders to engage in cumulative voting is specifically denied. If the Certificate of Incorporation provides for more or less than one vote for any share on any matter, every reference in these Bylaws to a majority or other proportion of shares of stock shall refer to such majority or other proportion of the votes of such shares of stock.

(b) Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Such proxy shall be filed with the Secretary before the vote at such meeting of stockholders. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power, regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or another duly executed proxy bearing a later date with the Secretary.

(c) Except as set forth below in this Section 10 or as required by applicable law, the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or any law, rule or regulation applicable to the Corporation or its securities, when a quorum is present at any meeting, the vote of the holders of a majority of the stock which has voting power present in person or represented by proxy and which has actually voted shall decide any question properly brought before such meeting. Voting at meetings of stockholders need not be by written ballot unless so directed by the presiding officer of the meeting or the Board.

(d) For purposes of non-contested elections of incumbent directors, a vote of the holders of a majority of stock which was actually voted means that the number of shares voted "for" an incumbent director's election must exceed the number of votes cast "against" that director's election, with "abstentions" and "broker non-votes" not counted as votes cast either "for" or "against" that director's election. Notwithstanding the foregoing, in the event of a contested election of directors, directors shall be elected by the vote of a plurality of the votes present in person or represented by proxy at any meeting for the election of directors at which a quorum is present. An election of directors shall be considered contested if the number of nominees standing for election at any meeting of stockholders exceeds the number of directors to be elected, and with respect to which a stockholder has submitted notice of an intent to nominate a candidate for election at such meeting in accordance with Section 6 or Section 7 above, and, on or before the fifth business day prior to the date that the Corporation files its definitive proxy

statement relating to such meeting with the SEC (regardless of whether thereafter revised or supplemented), the notice has not been: (i) withdrawn in writing to the Secretary; (ii) determined to be not a valid notice of nomination, with such determination to be made by the Board of Directors (or a committee thereof) pursuant to Section 6, or if challenged in court, by a final court order; and (iii) determined by the Board of Directors (or a committee thereof) not to create a *bona fide* election contest.

Section 11. Action without a Meeting. No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, and no action shall be taken by the stockholders by written consent.

Section 12. Order of Business. (a) The Board may adopt such rules and regulations for the conduct of any meeting of stockholders as it shall deem appropriate. Subject to any such rules and regulations as adopted by, and the supervision of, the Board, the chair of the meeting of stockholders shall determine the order of business and shall have the authority to regulate the conduct of any such meeting, including, without limitation, by (i) imposing restrictions on the persons (other than stockholders of the Corporation or their duly appointed proxies) who may attend any such meeting of stockholders; (ii) establishing rules and procedures for maintaining order at the meeting and the safety of those present; (iii) imposing limitations on the time allotted for consideration of each agenda item and for questions and comments by participants; (iv) regulations for the opening and closing of the polls for balloting and matters which are to be voted on by ballot (if any); and (v) procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting. Subject to any rules and regulations adopted by the Board, the chair of the meeting may convene and, for any or no reason, from time to time, adjourn and/or recess any meeting of stockholders pursuant to Section 5 of this Article II.

(b) Unless otherwise determined by the Board, meetings of stockholders shall be presided over by the Chairman of the Board or, in the Chairman's absence, by the Chief Executive Officer, or in the Chief Executive Officer's absence, by an officer or director of the Corporation designated by the Board (such person referred to in these Bylaws as the "chair of the meeting"). The Secretary or Assistant Secretary shall act as secretary of the meeting, but in the Secretary's or Assistant Secretary's absence, the chair of the meeting may appoint any person to act as secretary of the meeting.

Section 13. Waiver of Notice. Whenever notice is required to be given by any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time stated in such notice, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, the Board or a committee of the Board need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

ARTICLE III BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these Bylaws directed or required to be exercised or done by stockholders.

Section 2. Number, Election and Qualification. Subject to the rights of the holders of any series of Preferred Stock then outstanding to elect directors, the number of directors of the Corporation shall be established by resolution of the Board. Except as otherwise provided by the Certificate of Incorporation or these Bylaws, the election of directors need not be by written ballot. Directors need not be stockholders of the Corporation.

Section 3. Terms of Office. Each director shall hold office for the term for which he or she was elected and until his or her successor is elected and qualified or until his or her earlier death, resignation, retirement or removal.

Section 4. Quorum and Manner of Acting. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the presence of a majority of the members of the Board shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until the quorum shall be present. Notice of any adjourned meeting need not be given. At all meetings of the Board at which a quorum is present, all matters shall be decided by the affirmative vote of the majority of directors present, except as otherwise required by law. The Board may hold its meetings at such place or places within or without the State of Delaware as the Board may from time to time determine or as shall be specified in the respective notices, or waivers of notice, thereof.

Section 5. Annual Board Meeting. In connection with each annual meeting of stockholders for the election of directors, the Board may meet at the place of the annual meeting of the stockholders for the purpose of organization, the election of officers and the transaction of other business. Notice of such meeting need not be given. If such meeting is held at any other time or place, unless the meeting is designated as “regular” meeting, notice thereof must be given as hereinafter provided for special meetings of the Board, subject to the execution of a waiver of the notice thereof signed by, or the attendance at such meeting of, all directors who may not have received such notice.

Section 6. Regular Meetings. Regular meetings of the Board may be held, without notice, at such time and place, within or without the State of Delaware, as shall from time to time be established by the Board. At such meetings, the Board may transact such business as may be brought before the meeting. A notice of each regular meeting shall not be required.

Section 7. Special Meetings. Special meetings of the Board shall be held whenever called by the Chairman of the Board, the Chief Executive Officer or the President or by a majority of the directors then in office. Notice of each such meeting shall be given orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, at least 24 hours before the date and time of the meeting, or sent in writing to each director either by first class mail, charges prepaid, at least three days before the date of the meeting or by a reputable overnight delivery service, at least two days before the date of the meeting. Each such notice shall state the time and place of the meeting and need not state the purpose or purposes thereof. Notice of any meeting of the Board need not be given to any director if he or she shall sign a written waiver thereof either before or after the time stated therein for such meeting, or if he or she shall be present at the meeting. Unless limited by law, the Certificate of Incorporation, these Bylaws or terms of the notice thereof, any and all business may be transacted at any meeting even though no notice shall have been given.

Section 8. Removal. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director or the entire board of directors may be removed, with or without cause by the affirmative vote of the holders of a majority of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors at a special meeting of stockholders called in accordance with the Certificate of Incorporation and these Bylaws expressly for that purpose.

Section 9. Resignations. Any director may resign at any time by giving notice to the Chairman of the Board, the President, the Secretary or any committee to which the Board has delegated the authority to accept resignations. The resignation of any director shall take effect upon receipt of notice thereof or at such later time, including without limitation, upon the happening of a specified event, as shall be specified in such notice. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. Vacancies and Newly Created Directorships. Subject to the rights of the holders of any series of Preferred Stock then outstanding, and unless otherwise required by law, any vacancy or newly created directorships in the Board, however occurring, shall be filled only by vote of a majority of the directors then in office, although less than a quorum, or by the sole remaining director and shall not be filled by the stockholders. A director so chosen shall hold office until the next election of directors and until his or her successor shall have been duly elected and qualified or until such director's earlier death, resignation, retirement or removal as provided herein. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

Section 11. Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, directors shall be entitled to such compensation for their services, in the form of cash or equity of the Corporation or other compensation, or a combination thereof, as may be approved by the Board from time to time, including, if so approved, reasonable annual fees and reasonable fees for attending meetings of the Board and meetings of any committee of the Board. Directors may also be reimbursed by the Corporation for all reasonable expenses incurred in traveling to and from any such meetings. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee or otherwise and receiving compensation therefor.

Section 12. Action without a Meeting. Any action required or permitted to be taken at any meeting of the Board (including any committee) may be taken without a meeting if written consent thereto is signed or transmitted electronically by all members of the Board (or all members of such committee). After action is taken, such written consent shall be filed with the minutes of proceedings of the Board or committee, as applicable.

Section 13. Remote Participation in Meetings. Any member of the Board, or any committee thereof, may participate in a meeting of the Board or any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meetings.

ARTICLE IV COMMITTEES OF DIRECTORS

Section 1. Designation of Committees. The Board may, by resolution passed thereby, designate one or more committees, each committee to consist of one or more of the directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except as otherwise provided in the Certificate of Incorporation, these Bylaws or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee and delegate to a subcommittee any or all of the powers and authority of the committee.

Section 2. Vacancies. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

Section 3. Powers. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board to the extent provided by Section 141(c) of the DGCL.

Section 4. Minutes. Each committee of the Board shall keep regular minutes of its meetings and report the same to the Board when required.

ARTICLE V OFFICERS

Section 1. Principal Officers. The Board shall elect, if and when designated by the Board, a Chairman of the Board (who can, but does not need to be, an officer of the Corporation), a Chief Executive Officer, a President, a Secretary and a Treasurer, and may in addition elect one or more (or delegate authority to the Chairman of the Board and/or the Chief Executive Officer to appoint one or more) Executive Vice Presidents, Senior Vice Presidents, Vice Presidents or one or more Assistant Secretaries and Assistant Treasurers and such other officers as it deems fit. No officer need be a stockholder and one person may hold, and perform the duties of, any two or more of the said offices.

Section 2. Election and Term of Office. The principal officers of the Corporation shall be elected by the Board. Each such officer shall hold office until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, retirement or removal.

Section 3. Other Officers. In addition, the Board may elect, or the Chairman of the Board or Chief Executive Officer may appoint, such other officers as they deem fit. Any such other officers so appointed shall be subordinate officers and shall hold office for such period, have such authority and perform such duties as the Board, the Chairman of the Board or the Chief Executive Officer may from time to time determine.

Section 4. Removal and Resignation. Any officer may be removed, either with or without cause, at any time, by resolution adopted by the Board at any regular meeting of the Board, or at any special meeting of the Board called for that purpose, at which a quorum is present, or by a duly authorized officer. Any officer may resign at any time by giving written notice to the Chairman of the Board, the Chief Executive Officer, the President, the Secretary or the Board. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective. Except as the Board may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the Corporation.

Section 5. Vacancies. A vacancy in any office may be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election or appointment to such office for such term or such office may be left vacant.

Section 6. Chairman of the Board. The Chairman of the Board shall preside, if present, at all meetings of the Board and at all meetings of the stockholders in accordance with Section 12(b) of Article II. If the Chairman of the Board is not present at a meeting of the Board, another director chosen or designated by the Board shall preside. He or she shall have and perform such other duties as from time to time may be assigned to him by the Board.

Section 7. Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have general supervision, direction and control of the business of the Corporation. He or she shall, in the absence of the Chairman of the Board, preside at all meetings of the stockholders in accordance with Section 12(b) of Article II and the Board, unless otherwise determined by the Board. The Chief Executive Officer shall have such other powers and be subject to such other duties as the Board or the Chairman of the Board may from time to time assign and as may be provided by applicable law.

Section 8. President. Unless some other officer has been elected Chief Executive Officer, the President shall be the chief executive officer of the Corporation with the powers and duties set forth in Section 7 of this Article V. If a Chief Executive Officer has been elected, the President shall have such powers and shall perform such duties as shall be assigned to him or her by the Board, the Chairman of the Board or the Chief Executive Officer and as may be provided by applicable law.

Section 9. Vice President(s). Each Executive Vice President, Senior Vice President and Vice President shall have such powers and shall perform such duties as shall be assigned to him or her by the Board, the Chairman of the Board, the Chief Executive Officer or the President.

Section 10. Treasurer and Assistant Treasurers. (a) The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation. He or she shall exhibit at all reasonable times his or her books of account and records to any of the directors upon application during business hours at the office of the Corporation where such books and records shall be kept; when requested by the Board, he or she shall render a statement of the condition of the finances of the Corporation at any meeting of the Board or at the annual meeting of stockholders; he or she shall receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever; in general, he or she shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board, the Chairman of the Board, the Chief Executive Officer or the President. The Treasurer shall give such bond, if any, for the faithful discharge of his or her duties as the Board may require.

(b) The Assistant Treasurers shall perform such duties and possess such powers as the Board, the Chief Executive Officer, the President or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board or, if there be no such determination, in the order of their election) shall perform the duties and exercise the powers of the Treasurer.

Section 11. Secretary and Assistant Secretaries. (a) The Secretary, if present, shall act as secretary at all meetings of the Board and of the stockholders and keep the minutes thereof in a book or books to be provided for that purpose; he or she shall see that all notices required to be given by the Corporation are duly given and served; he or she shall have charge of the stock records of the Corporation; he or she shall see that all reports, statements and other documents required by law are properly kept and filed; and in general he or she shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board, the Chairman of the Board, the Chief Executive Officer or the President.

(b) The Assistant Secretaries shall perform such duties and possess such powers as the Board, the Chief Executive Officer, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board or, if there be no such determination, in the order of their election) shall perform the duties and exercise the powers of the Secretary.

(c) In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chair of the meeting shall designate a temporary secretary to keep a record of the meeting.

ARTICLE VI TRANSFERS OF STOCK

Section 1. General. Unless otherwise provided by resolution of the Board, each class or series of the shares of capital stock in the Corporation shall be issued in certificated form. Shares that are uncertificated shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney or legal representative upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

Section 2. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or entitled to receive payment of any dividend or other distribution, or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date in accordance with the DGCL, which, unless otherwise required by law, shall not be more than 60 nor less than 10 days before the date of such meetings, nor more than 60 days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 3. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

Section 4. Lost, Stolen or Destroyed Certificates. In the event the Corporation issues certificated shares, the Board may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to present reasonable evidence of such loss, theft or destruction in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the

Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate.

ARTICLE VII MISCELLANEOUS

Section 1. Corporate Seal. The Board shall provide a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation and words and figures showing that it was incorporated in the State of Delaware. The Secretary shall be the custodian of the seal. The Board may authorize a duplicate seal to be kept and used by any other officer.

Section 2. Voting of Stock Owned by the Corporation. The Board may authorize any person on behalf of the Corporation to attend, vote and grant proxies to be used at any meeting of stockholders of any corporation (except the Corporation) in which the Corporation may hold stock.

Section 3. Dividends. Subject to applicable law and the provisions of the Certificate of Incorporation, the Board may, out of funds legally available therefor, declare dividends upon the capital stock of the Corporation as and when they deem expedient. Before declaring any dividend, there may be set apart out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time in their discretion deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the Board shall deem conducive to the interests of the Corporation.

Section 4. Fiscal Year. Except as from time to time otherwise designated by the Board, the fiscal year of the Corporation shall begin on the first day of January of each year and end on the last day of December in each year.

Section 5. Severability. If any provision of these Bylaws is illegal or unenforceable as such, such illegality or unenforceability shall not affect any other provision of these Bylaws and such other provisions shall continue in full force and effect.

Section 6. Electronic Signatures, etc. Except as otherwise required by the Certificate of Incorporation or these Bylaws, any document, including, without limitation, any consent, agreement, certificate or instrument, required by the DGCL, the Certificate of Incorporation or these Bylaws to be executed by any officer, director, stockholder, employee or agent of the Corporation may be executed using a facsimile or other form of electronic signature to the fullest extent permitted by applicable law. All other contracts, agreements, certificates or instruments to be executed on behalf of the Corporation may be executed using an electronic signature to the fullest extent permitted by applicable law. The terms “electronic mail,” “electronic mail address,” “electronic signature” and “electronic transmission” as used herein shall have the meanings ascribed thereto in the DGCL.

Section 7. Exclusive Forum.

(a) Unless the Corporation selects or consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee of the Corporation to the Corporation or the Corporation’s stockholders, (3) any action arising pursuant to any provision of the Delaware General Corporation Law or (4) any action asserting a claim governed by the internal affairs doctrine; provided, however, that, in the event that the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware, in each such case, unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. In addition, unless the Corporation, in writing, selects or consents to the selection of an alternative forum, the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, to the fullest extent permitted by law, shall be the federal district

courts of the United States of America. Any person or entity owning, purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 7.

ARTICLE VIII AMENDMENTS

Section 1. General. The Board shall have the power to adopt, amend or repeal these Bylaws at any valid meeting by the affirmative vote of a majority of the whole Board. These Bylaws may also be altered, amended or repealed at any annual meeting of stockholders, or at any special meeting of holders of shares of stock entitled to vote thereon called for that purpose, by the affirmative vote of not less than a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote thereon; provided, however, that with respect to Sections 2, 6, 7, and 11 of Article II, Sections 2, 3, 7, and 10 of Article III and this Article VIII, such provisions may only be altered, amended or repealed at any annual meeting of stockholders, or at any special meeting called for that purpose of holders of shares of stock entitled to vote thereon, by an affirmative vote of not less than two-thirds of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote thereon.

**Description of Securities
Registered Pursuant to Section 12 of the
Securities Exchange Act of 1934**

Except as otherwise indicated or unless the context requires otherwise, all references herein to the "Company," "KDP", "we," "us," "our" and similar terms refer to Keurig Dr Pepper Inc.

DESCRIPTION OF COMMON STOCK

The following description of our common stock is based upon our Amended and Restated Certificate of Incorporation (as amended and/or restated from time to time, the "Certificate of Incorporation"), our Amended and Restated By-Laws (as amended and/or restated from time to time, the "Bylaws") and applicable provisions of law. We have summarized certain portions of the Certificate of Incorporation and Bylaws below. The summary is not complete. The Certificate of Incorporation and Bylaws are incorporated by reference as exhibits to the Annual Report on Form 10-K to which this exhibit is a part. You should read the Certificate of Incorporation and Bylaws for the provisions that are important to you.

GENERAL

Our authorized capital stock consists of 2,000,000,000 shares of common stock, par value \$0.01 per share, and 15,000,000 shares of preferred stock, par value \$0.01 per share. Our board of directors may establish the rights and preferences of the preferred stock from time to time.

COMMON STOCK

Each holder of our common stock is entitled to one vote for each share on all matters to be voted upon by the common stockholders and there are no cumulative voting rights. Subject to any preferential rights of any outstanding preferred stock, holders of our common stock are entitled to receive ratably the dividends, if any, as may be declared from time to time by our board of directors out of funds legally available. If there is a liquidation, dissolution or winding up of our company, holders of our common stock will be entitled to share in our assets remaining after the payment of liabilities and any preferential rights of any outstanding preferred stock. Holders of our common stock have no preemptive or conversion rights or other subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of our common stock are fully paid and non-assessable. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which we may designate and issue in the future.

PREFERRED STOCK

Under the terms of our Certificate of Incorporation, our board of directors is authorized, subject to limitations prescribed by the Delaware General Corporation Law ("DGCL"), and by our Certificate of Incorporation, to issue preferred stock in one or more series without stockholder approval. Our board of directors has the discretion, subject to limitations prescribed by the DGCL and by our Certificate of Incorporation, to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

ANTI-TAKEOVER EFFECTS OF VARIOUS PROVISIONS OF DELAWARE LAW AND OUR CERTIFICATE OF INCORPORATION AND BYLAWS

Provisions of the DGCL and our Certificate of Incorporation and Bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise or to remove incumbent officers and directors. These provisions, summarized below, would be expected to discourage certain types of coercive takeover practices and takeover bids our board of directors may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us will outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Board Vacancies to be Filled by Remaining Directors and Not Stockholders

Our Certificate of Incorporation and Bylaws provide that the entire board of directors will be elected annually; however, any vacancies, including any newly created directorships, on the board of directors will be filled by the affirmative vote of the majority of the remaining directors then in office, even if such directors constitute less than a quorum, or by a sole remaining director. Any director appointed to the board of directors to fill a vacancy will have the same remaining term as that of his or her predecessor.

Stockholder Action

Our Certificate of Incorporation and Bylaws preclude stockholders from calling special meetings and taking action or passing resolutions by written consent.

Advance Notice of Director Nominations and Stockholder Proposals

Our Bylaws contain advance notice procedures for stockholders to make nominations of candidates for election as directors or to bring other business before the annual meeting of stockholders. As specified in our Bylaws, director nominations and the proposal of business to be considered by stockholders may be made only pursuant to a notice of meeting, at the direction of the board of directors or by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures, requirements and disclosures that are set forth in our Bylaws. To be timely, a nomination of a director by a stockholder or notice for business to be brought before an annual meeting by a stockholder must be delivered to the secretary at our principal executive offices not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the anniversary date of the immediately preceding year's annual meeting; provided, however, that in the event that the date of an annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, for notice by the stockholder to be timely, it must be delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting and (ii) the 10th day following the day on which notice of such annual meeting was mailed or public announcement of the date of such meeting is first made, whichever first occurs. In the event a special meeting of stockholders is called for the purpose of electing one or more directors, any stockholder entitled to vote may nominate a person or persons as specified in our Bylaws, but only if the stockholder notice is delivered to the secretary at our principal executive offices not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of (x) the 90th day prior to such special meeting and (y) the 10th day following the day on which notice of the date of such special meeting was mailed or public disclosure of the date of such special meeting was made, whichever first occurs.

Amendments to the Certificate of Incorporation and Bylaws

Our Certificate of Incorporation and Bylaws require an affirmative vote of two-thirds of the voting power of the outstanding shares to amend certain provisions of our Certificate of Incorporation or Bylaws, including the provisions relating to the ability of stockholders to call special meetings or act by written consent, the size of the board, filling vacancies on the board, indemnification of directors and officers, advance notice provisions and supermajority voting requirements.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly-held Delaware corporation from engaging in a “business combination” with an “interested stockholder” during the period of three years following the time the person becomes an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation’s voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

No Cumulative Voting

The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless our Certificate of Incorporation provides otherwise. Our Certificate of Incorporation does not provide for cumulative voting.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors’ fiduciary duties as directors. Our Certificate of Incorporation contains such exculpation provisions for directors and includes provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as a director or officer of our company, or for serving at our request as a director or officer or another position at another corporation or enterprise, as the case may be. Our Certificate of Incorporation also provides that we must indemnify and advance reasonable expenses to our directors and officers, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL. We are also expressly authorized to carry directors’ and officers’ insurance to protect our company, our directors, officers and certain employees for some liabilities. The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, these provisions do not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director’s duty of care. Moreover, the provisions do not alter the liability of directors under the federal securities laws.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock are generally available for future issuance without stockholder approval. We may use additional shares for a variety of purposes,

including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Exclusive Forum Provision

Our Bylaws provide that unless we select or consent in writing to an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee of KDP to us or our stockholders, any action arising pursuant to any provision of the DGCL, or any action asserting a claim governed by the internal affairs doctrine; provided, however, that, in the event that the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over any such action or proceeding, the sole exclusive forum for such action or proceeding shall be another state or federal court located in the State of Delaware, unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. In addition, our Bylaws further provide that, unless we, in writing, select or consent to the selection of an alternative forum, the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, to the fullest extent permitted by law, shall be the federal district courts of the United States of America. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of our forum selection provisions.

STOCK EXCHANGE LISTING

Our common stock is listed on The Nasdaq Stock Market LLC under the ticker symbol “KDP.”

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A. (“Computershare”) is the transfer agent and registrar for our common stock.

DIRECT REGISTRATION SYSTEM

Our common stock is registered in book-entry form through the direct registration system. Under this system, ownership of our common stock is reflected in account statements periodically distributed to stockholders by Computershare, our transfer agent, who holds the book-entry shares on behalf of our common stockholders.

TERM LOAN CREDIT AGREEMENT

dated as of

October 25, 2024

among

KEURIG DR PEPPER INC.,
as Borrower

THE LENDERS PARTY HERETO

and

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

BOFA SECURITIES, INC.
as Sole Lead Arranger and Sole Bookrunner

Table of Contents

Page

ARTICLE I DEFINITIONS

Section 1.01. Defined Terms	1
Section 1.02. Classification of Loans and Borrowings	26
Section 1.03. Terms Generally	26
Section 1.04. Accounting Terms; GAAP	27
Section 1.05. [Reserved]	27
Section 1.06. Interest Rates	28

ARTICLE II THE CREDITS

Section 2.01. Commitments; Loans	28
Section 2.02. Loans and Borrowings	28
Section 2.03. Requests for Borrowings	29
Section 2.04. [Reserved]	30
Section 2.05. [Reserved]	30
Section 2.06. Funding of Borrowings	30
Section 2.07. Interest Elections	31
Section 2.08. Termination and Reduction of Commitments	32
Section 2.09. Repayment of Loans; Evidence of Debt	32
Section 2.10. Prepayment of Loans	33
Section 2.11. Fees	33
Section 2.12. Interest	34
Section 2.13. Alternate Rate of Interest	35
Section 2.14. Increased Costs	37
Section 2.15. Break Funding Payments	39
Section 2.16. Taxes	39
Section 2.17. Payments Generally; Pro Rata Treatment; Sharing of Set-offs	44
Section 2.18. Mitigation Obligations; Replacement of Lenders	45
Section 2.19. Defaulting Lenders	46

ARTICLE III REPRESENTATIONS AND WARRANTIES

Section 3.01. Organization; Powers	47
Section 3.02. Authorization; Enforceability	48
Section 3.03. Governmental Approvals; No Conflicts	48
Section 3.04. Financial Condition; No Material Adverse Change	48
Section 3.05. Properties	49
Section 3.06. Litigation and Environmental Matters	49
Section 3.07. Compliance with Laws	49

Section 3.08. Investment Company Status	49
Section 3.09. Taxes	49
Section 3.10. ERISA	50
Section 3.11. Disclosure	50
Section 3.12. Margin Regulations	50
Section 3.13. Affected Financial Institutions	50
Section 3.14. Anti-Corruption Laws and Sanctions	50
Section 3.15. Solvency	51

ARTICLE IV CONDITIONS

Section 4.01. Closing Date	51
Section 4.02. Conditions to Certain Credit Extensions	52
Section 4.03. Determinations under Section 4.01	53

ARTICLE V AFFIRMATIVE COVENANTS

Section 5.01. Financial Statements; Ratings Change and Other Information	53
Section 5.02. Notices of Material Events	54
Section 5.03. Existence; Conduct of Business	55
Section 5.04. Payment of Taxes	55
Section 5.05. Maintenance of Properties; Insurance	55
Section 5.06. Books and Records; Inspection Rights	55
Section 5.07. Compliance with Laws	56
Section 5.08. Use of Proceeds	56
Section 5.09. Additional Guarantors; Release of Guarantors	56

ARTICLE VI NEGATIVE COVENANTS

Section 6.01. Liens	57
Section 6.02. Fundamental Changes	58
Section 6.03. [Reserved]	59
Section 6.04. Consolidated Interest Coverage Ratio	59
Section 6.05. Transactions with Affiliates	59

ARTICLE VII EVENTS OF DEFAULT

ARTICLE VIII THE ADMINISTRATIVE AGENT

Section 8.01. The Administrative Agent	63
Section 8.02. Administrative Agent's Reliance, Indemnification	67
Section 8.03. Certain ERISA Matters	68
Section 8.04. Erroneous Payments	68

ARTICLE IX
MISCELLANEOUS

Section 9.01. Notices	69
Section 9.02. Waivers; Amendments	71
Section 9.03. Expenses; Indemnity; Damage Waiver	73
Section 9.04. Successors and Assigns	74
Section 9.05. Survival	78
Section 9.06. Counterparts; Integration; Effectiveness	79
Section 9.07. Severability	80
Section 9.08. Right of Setoff	80
Section 9.09. Governing Law; Jurisdiction; Consent to Service of Process	80
Section 9.10. WAIVER OF JURY TRIAL	81
Section 9.11. Headings	81
Section 9.12. Confidentiality	81
Section 9.13. Interest Rate Limitation	83
Section 9.14. PATRIOT Act	83
Section 9.15. Acknowledgement and Consent to Bail-In of Affected Financial Institutions	83
Section 9.16. No Advisory or Fiduciary Responsibility	84
Section 9.17. Release of Guarantors	85
Section 9.18. Acknowledgement Regarding Any Supported QFCs	85
Section 9.19. Judgment Currency	86

SCHEDULES:

Schedule 2.01	Commitments
Schedule 6.01	Existing Liens
Schedule 6.05	Transactions with Affiliates

EXHIBITS:

Exhibit A	Form of Assignment and Assumption
Exhibit B	Form of Guaranty
Exhibit C	[Reserved]
Exhibit D-1	Form of U.S. Tax Compliance Certificate (Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D-2	Form of U.S. Tax Compliance Certificate (Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D-3	Form of U.S. Tax Compliance Certificate (Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D-4	Form of U.S. Tax Compliance Certificate (Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit E	Form of Solvency Certificate

TERM LOAN CREDIT AGREEMENT dated as of October 25, 2024 (as amended, restated, increased, extended, supplemented or otherwise modified from time to time, this “Agreement”), among KEURIG DR PEPPER INC., as Borrower, the LENDERS from time to time party hereto and BANK OF AMERICA, N.A., as Administrative Agent.

ARTICLE I DEFINITIONS

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

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

“Adjusted Interest Expense” means, with respect to any Person, for any period, the amount of adjusted interest expense reflected on the Borrower’s Reconciliation of Certain Reported Items to Certain Non-GAAP Adjusted Items set forth in the Borrower’s form 10-Q or form 10-K filed with the SEC.

“Administrative Agent” means Bank of America, N.A., in its capacity as administrative agent for the Lenders hereunder, and any successor appointed pursuant to Section 8.01(f).

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth in Section 9.01, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

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

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

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

“Agent Parties” has the meaning assigned to such term in Section 9.01(d).

“Agreement” has the meaning assigned to such term in the preamble.

“Agreement Currency” has the meaning assigned to such term in Section 9.18.

“Alternative Base Rate” means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” (c) Term SOFR plus 1.00% and (d) 1.00%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic

conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Alternative Base Rate is being used as an alternate rate of interest pursuant to Section 2.11, then the Alternative Base Rate shall be the greater of clauses (a), (b) and (d) above and shall be determined without reference to clause (c) above.

“Anti-Corruption Laws” means the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010, and all other laws, rules and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time that prohibit bribery or corruption.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Loans and Commitments represented by such Lender’s Loans and Commitments. If the Commitments and Loans have terminated or expired, the Applicable Percentages shall be determined based upon the Loans and Commitments most recently in effect, giving effect to any assignments.

“Applicable Rate” means, for any day, with respect to any ABR Loan or Term Benchmark Loan, the applicable rate per annum set forth below under the caption “ABR Spread” or “Term Benchmark Spread”, as the case may be, based upon the ratings by S&P and Moody’s, respectively, applicable on such date to the Index Debt:

Index Debt Ratings:	ABR Spread	Term Benchmark Spread
Category 1 Index Debt ratings of at least A- by S&P and/or A3 by Moody’s	0.000%	0.875%
Category 2 Index Debt ratings less than Category 1, but at least BBB+ by S&P and/or Aa1 by Moody’s	0.000%	1.000%
Category 3 Index Debt ratings less than Category 2, but at least BBB by S&P and/or Baa2 by Moody’s	0.125%	1.125%
Category 4 Index Debt ratings less than Category 3, but at least BBB - by S&P and/or Baa3 by Moody’s	0.250%	1.250%
Category 5 Index Debt ratings less than Category 4	0.500%	1.500%

For purposes of the foregoing, (i) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 5; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result

of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Administrative Agent and the Lenders pursuant to Section 5.01 or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Required Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

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

"ASC" has the meaning assigned to such term in Section 1.04(a).

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04(b)), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by 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 a 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 Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof; *provided, further*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental

Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

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

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

“Board” means the Board of Governors of the Federal Reserve System of the United States of America (or any successor thereto).

“Bookrunner” means BofA Securities, Inc., in its capacity as lead arranger and bookrunner.

“Borrower” means Keurig Dr Pepper Inc., a Delaware corporation.

“Borrowing” means an advance of Loans of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

“Borrowing Minimum” means \$10,000,000.

“Borrowing Multiple” means \$1,000,000.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located.

“Buyer” means The American Bottling Company, a Delaware corporation and wholly-owned Subsidiary of the Borrower.

“CFC” means a “controlled foreign corporation” within the meaning of Section 957(a) of the Code.

“CFC Holdco” means a Domestic Subsidiary substantially all of whose assets consist (directly or indirectly through entities that are disregarded for U.S. federal income tax purposes) of the voting Stock and/or Stock Equivalents of one or more CFCs.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the date hereof) (other than any corporation owned, directly or indirectly, by the stockholders of the Borrower in substantially the same proportions as their ownership of stock in the Borrower), of Stock representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Stock of the Borrower or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated or approved by the board of directors of the Borrower nor (ii) approved or appointed by directors so nominated.

“Change in Law” means the occurrence after the date of this Agreement or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement, (a) the adoption of any law, rule, regulation or treaty by any Governmental Authority, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided* that, notwithstanding anything herein to the contrary (x) all requests, rules, guidelines or directives issued under, or in connection with, the Dodd-Frank Wall Street Reform and Consumer Protection Act and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Charges” has the meaning assigned to such term in Section 9.13.

“Closing Date” has the meaning assigned to such term in Section 4.01.

“Closing Date Delayed Draw Commitment” means, as to each Lender, its obligation to make Loans to the Borrower pursuant to Section 2.01(a), in an aggregate principal amount at any one time outstanding not to exceed the dollar amount set forth opposite such Lender’s name on Schedule 2.01 under the caption “Closing Date Delayed Draw Commitment” or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate amount of the Closing Date Delayed Draw Commitments as of the Closing Date is \$1,000,000,000.

“Closing Date Delayed Draw Commitment Fee” has the meaning assigned to such term in Section 2.11(a).

“Closing Date Delayed Draw Loans” means loans made pursuant to Section 2.01(a).

“Closing Date Delayed Draw Termination Date” means the earlier of (a) the first date on which any amount available under the Closing Date Delayed Draw Commitments has been drawn and (b) the eighteen month anniversary of the Closing Date.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term SOFR (or a successor administrator).

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

“Commitment” means, as to each Lender, its Closing Date Delayed Draw Commitment and/or its Second Delayed Draw Commitment, as the context may require.

“Commitment Fees” has the meaning assigned to such term in Section 2.11(b).

“Communication” means this Agreement, any Loan Document and any document, any amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to any Loan Document.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of “Alternative Base Rate”, “SOFR”, “Term SOFR” and “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and “U.S. Government Securities Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent (in consultation with the Borrower), to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Administrative Agent determines (in consultation with the Borrower) is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“Consolidated” means, with respect to any Person, the consolidation of accounts of such Person and its subsidiaries in accordance with GAAP.

“Consolidated EBITDA” means, with respect to any Person, for any period, Consolidated Net Income of such Person for such period *plus* (A) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of:

- 1) the aggregate amount of Consolidated Interest Expense for such period,
- 2) expense for income taxes paid or accrued for such period,
- 3) all amounts attributable to (i) the write-off or amortization of deferred financing costs and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness or (ii) depreciation, amortization (including

amortization of goodwill and other intangible assets) or impairment of goodwill or other intangible assets for such period,

4) (i) any extraordinary, unusual or non-recurring charges, expenses and losses during such period (including costs, expenses and payments, in connection with actual or prospective litigation, legal settlements, fines, judgments or orders), (ii) any non-cash charges, expenses or losses and (iii) any costs, charges, accruals, reserves or expenses attributable to the undertaking and/or implementation of cost savings, synergies, operating expense reductions, business optimization initiatives, integration, transition, decommissioning, consolidation and other restructuring costs, charges, accruals, reserves or expenses (including costs related to the opening, pre-opening, expansion, closure and/or consolidation of stores, offices and facilities (including rent termination, moving and relocation costs), costs related to the termination of distributor and joint venture arrangements and discontinued operations, costs, expenses or charges associated with inventory obsolescence (including, resulting from discontinued products and excess inventory), retention charges, contract termination costs, recruiting, signing, retention or completion bonuses and expenses, severance expenses and any cost associated with any modification to any pension and post-retirement employee benefit plan, software and other systems development, establishment and implementation costs, costs relating to entry into a new market, project startup costs, costs relating to any strategic initiative or new operations and conversion costs and any business development, consulting or legal costs and fees relating to the foregoing),

5) the aggregate amount of all non-cash compensation charges incurred during such period arising from the grant of or the issuance of Stock or Stock Equivalents and any equity incentive plans, arrangements or programs,

6) any loss realized by such Person or any of its Subsidiaries in connection with any dispositions (other than sales of inventory in the ordinary course of business) or discontinued operations that occur during such period,

7) at the discretion of the Borrower, Transaction Costs (including those related to the Transactions) incurred or paid in cash in such period (whether or not such underlying transaction is successful),

8) the amount of pro forma cost savings, operating expense reductions and synergies related to any acquisitions or other investments, dispositions, restructurings, cost savings initiatives or other initiatives that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Borrower) within 24 months after such acquisition or other investment, disposition, restructuring, cost savings initiative or other initiative, net of the amount of actual benefits realized prior to or during such period from such actions,

9) any earn-out obligation and contingent consideration obligations (including adjustments thereof and purchase price adjustments) incurred in connection

with any acquisition or other investment (including any acquisition or other investment consummated prior to the Closing Date) which is paid or accrued during the applicable period,

10) the amount of any expense or deduction associated with any subsidiary of such Person attributable to non-controlling interests or minority interests of third parties,

11) the amount of any fee, cost, expense or reserve, including in respect of any product recall, to the extent actually reimbursed or reimbursable by third parties pursuant to indemnification, reimbursement, insurance or similar arrangements; *provided* that, the Borrower in good faith expects to receive reimbursement for such fee, cost, expense or reserve within the next four fiscal quarters (it being understood that to the extent not actually received within such fiscal quarters, such reimbursement amounts shall be deducted in calculating Consolidated EBITDA for such fiscal quarters),

12) (i) any unrealized or realized net foreign currency translation or transaction gains or losses, and (ii) any unrealized net losses, charges or expenses and unrealized net gains in the fair market value of any arrangements under any swap, cap, collar, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions, and

13) the amount of any charge, cost or expense in connection with a single or one-time event, including, without limitation, in connection with (x) any acquisition or other investment consummated before or after the Closing Date, (y) the consolidation, closing or reconfiguration of any facility during such period and (z) early extinguishment of Indebtedness, *minus* (B) without duplication and to the extent included in determining such Consolidated Net Income, the sum of (i) any extraordinary, unusual or non-recurring income or gains during such period, (ii) any credit for income taxes paid or accrued in such period, (iii) any other gains realized by such Person or any of its Subsidiaries in connection with any dispositions (other than sales of inventory in the ordinary course of business) that occur during such period and (iv) any other non-cash income or gains during such period.

“Consolidated Interest Coverage Ratio” means, as of the last day of any fiscal quarter of the Borrower, the ratio of (a) Consolidated EBITDA for the most recently ended four fiscal quarter period of the Borrower for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or Section 5.01(b) to (b) Adjusted Interest Expense for the period ending on such date.

“Consolidated Interest Expense” means, with respect to any Person, for any period, the amount of interest expense reflected on the consolidated statement of income of such Person and its subsidiaries for such period in conformity with GAAP.

“Consolidated Net Income” means, with respect to any Person, for any period, the amount of net income reflected on the consolidated statement of income of such Person and its subsidiaries for such period in conformity with GAAP.

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

“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 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).

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

“Daily Simple SOFR” with respect to any applicable determination date means the SOFR published on such date on the Federal Reserve Bank of New York’s website (or any successor source).

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

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

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be

satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent or the Borrower, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the receipt by the Administrative Agent or the Borrower, as applicable, of such certification in form and substance satisfactory to the requesting party and the Administrative Agent, or (d) has or has had a direct or indirect parent become the subject (i) of a Bankruptcy Event or (ii) Bail-In Action; provided further that a Lender shall not become a Defaulting Lender solely as a result of the acquisition or maintenance of an ownership interest in such Lender or Person controlling such Lender or the exercise of control over such Lender or Person controlling such Lender by a Governmental Authority or an instrumentality thereof.

“Delayed Draw Borrowing” means a Borrowing in respect of Closing Date Delayed Draw Loans or Second Delayed Draw Loans.

“Disclosing Party” has the meaning assigned to such term in Section 9.12(a).

“Dividing Person” has the meaning assigned to it in the definition of “Division”.

“Division” means the division of the assets, liabilities and/or obligations of a Person (the “Dividing Person”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“Division Successor” means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

“Division Successor Borrower” has the meaning assigned to such term in Section 6.02(a).

“dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of the U.S., any state thereof or the District of Columbia.

“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 institution established in an EEA Member Country which is a subsidiary of a financial 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 delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic System” has the meaning provided to such term in Section 9.01(b).

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the protection of the environment, preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or, as such relate to exposure to hazardous materials, to health and safety matters.

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

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

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

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30- day notice period is waived); (b) any failure to satisfy statutory minimum funding standards with respect to any Plan; (c) the filing pursuant to Section 412(c) of the Code of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any ERISA Affiliates of any liability with respect to the withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA.

“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.

“Event of Default” has the meaning assigned to such term in Article VII.

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

“Excluded Subsidiary” means (a) any Foreign Subsidiary, (b) any Domestic Subsidiary (i) that is a direct or indirect subsidiary of a Foreign Subsidiary or a CFC Holdco or (ii) that is a CFC Holdco or (c) any Subsidiary with respect to which the Guaranty would result in material adverse Tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment or otherwise under a Loan Document pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment or becomes a party to this Agreement (other than pursuant to an assignment request by the Borrower under Section 2.18(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16(a), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.16(e) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Facility Termination” has the meaning assigned to such term in Section 9.17(c).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Funds Rate” means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided that if the

Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Federal Reserve Bank of New York’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Finance Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as finance leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; *provided, however*, that all obligations of any Person that are or would have been treated as operating leases (including for avoidance of doubt, any network lease or any operating indefeasible right of use) for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the “ASU”) shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as Finance Lease Obligations in the financial statements to be delivered pursuant to Section 5.01.

“Financial Officer” means, with respect to any Person, its chief financial officer, principal accounting officer, treasurer or controller.

“Foreign Lender” means any Lender that is not a U.S. Person.

“Foreign Subsidiary” means any Subsidiary that is not organized under the laws of the United States, any state thereof or the District of Columbia.

“GAAP” means generally accepted accounting principles in the United States of America, as in effect from time to time.

“Ghost Acquisition” means the acquisition by the Buyer of a controlling interest in Ghost Lifestyle pursuant to the Ghost Acquisition Agreement.

“Ghost Acquisition Agreement” means that certain Contribution and Merger Agreement, dated as of October 23, 2024, by and among the Buyer, Ghost Lifestyle and certain other parties named therein.

“Ghost Acquisition Closing Date” means the date on which the Ghost Acquisition is consummated.

“Ghost Lifestyle” means Ghost Lifestyle LLC, a Delaware limited liability company.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority,

instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

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

“Guarantor” means (a) each Subsidiary that is required to become (and is) a party to the Guaranty pursuant to Section 5.09 and (b) any other Subsidiary that voluntarily becomes a party to the Guaranty, in each case, other than those Subsidiaries released from their obligations under the Guaranty pursuant to Section 5.09, Section 9.17 or otherwise.

“Guaranty” means the Guaranty, executed and delivered by each Guarantor, in substantially the form of Exhibit B.

“Hazardous Materials” means all explosive or radioactive substances or wastes, petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, per- or polyfluoroalkyl substances, radon gas, infectious or medical wastes and all other substances, materials or wastes of any nature regulated as hazardous or toxic, or a pollutant or contaminant, pursuant to any Environmental Law.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) intercompany expenses and charges among such Person and its subsidiaries, (ii) accounts payable incurred in the ordinary course of business and (iii) any earn-out obligation until such earn-out obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and if not paid after becoming due and payable), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the

Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Finance Lease Obligations of such Person, (h) all obligations of such Person as an account party in respect of letters of credit and letters of guaranty (but only to the extent drawn and not reimbursed) and (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. The amount of Indebtedness of any Person for purposes of clause (e) above shall be deemed to be the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith. Notwithstanding the foregoing, any Indebtedness that has been defeased in accordance with GAAP or defeased pursuant to the deposit of cash or Permitted Investments (in an amount sufficient to satisfy all such obligations relating to such Indebtedness at maturity or redemption, as applicable, and all payments of interest and premium, if any) in a trust or account created or pledged for the benefit of the holders of such Indebtedness, and subject to the other applicable terms of the instrument governing such Indebtedness, shall, to the extent so defeased, not constitute or be deemed "Indebtedness".

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnatee" has the meaning assigned to such term in Section 9.03(b).

"Index Debt" means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person (other than, for the avoidance of doubt, a Subsidiary) or subject to any other credit enhancement.

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

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.07.

"Interest Payment Date" means, (a) as to any Loan other than an ABR Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any ABR Loan, the last Business Day of each March, June, September and December and the Maturity Date.

"Interest Period" means as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one, three or six months thereafter, as selected by the Borrower in its Borrowing Request, or such other period that is twelve months or less requested by the Borrower

and consented to by all the Lenders and the Administrative Agent (in the case of each requested Interest Period, subject to availability); provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Term SOFR Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Term SOFR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

“Judgment Currency” has the meaning assigned to such term in Section 9.18.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Lien” means any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge, security interest or similar preferential arrangement of any kind in the nature of security including any conditional sale agreement, finance lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing).

“Loan Documents” means, collectively, this Agreement, each Promissory Note, the Guaranty and, to the extent expressly designated as a “Loan Document” by the Borrower and the Administrative Agent, each certificate, agreement or document executed by the Borrower or any of its Subsidiaries and delivered to the Administrative Agent or any Lender in connection with or pursuant to any of the foregoing.

“Loan Parties” means, as of any date, the Borrower and each Guarantor.

“Loans” means the Closing Date Delayed Draw Loans and/or Second Delayed Draw Loans, as the context may require.

“Material Adverse Change” means any material adverse change in the business, business operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, business operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower and the Guarantors (taken as a whole) to perform their payment obligations under this Agreement or (c) the rights and remedies of the Lenders under this Agreement.

“Material Indebtedness” means Indebtedness (other than the Obligations) of the Borrower or a Material Subsidiary that is outstanding in an amount exceeding the Minimum Threshold.

“Material Subsidiary” means, at any date of determination, each Subsidiary which, as of the end of the most recent fiscal quarter of the Borrower occurring immediately prior to such date of determination, individually contributed greater than 10.0% of Consolidated Total Assets, after intercompany eliminations.

“Maturity Date” means, with respect to any Lender, (i) with respect to the Closing Date Delayed Draw Loans, the eighteen month anniversary of the Closing Date; *provided, however*, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day and (ii) with respect to the Second Delayed Draw Loans, February 23, 2027; *provided, however*, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

“Maximum Rate” has the meaning assigned to such term in Section 9.13.

“Minimum Threshold” means an outstanding aggregate principal amount exceeding \$250,000,000.

“Moody’s” means Moody’s Investors Service, Inc. (or any successor thereto).

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate has any obligation to make contributions.

“Obligations” means the Loans and all other amounts owing by the Borrower to the Administrative Agent, any Lender, any Affiliate of any of them or any Indemnatee, of every type and description (whether by reason of an extension of credit, opening or amendment of a letter of credit or payment of any draft drawn thereunder, loan, guarantee, indemnification or otherwise), present or future, arising under this Agreement or any other Loan Document, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and whether or not evidenced by any note, guarantee or other instrument or for the payment of money, including all fees, interest, charges, expenses, attorneys’ fees and disbursements and other sums chargeable to the Borrower under this Agreement or any other Loan Document.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security

interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18(b)).

“Participant” has the meaning set forth in Section 9.04(c)(i).

“Participant Register” has the meaning set forth in Section 9.04(c)(ii).

“PATRIOT Act” means the USA PATRIOT Act of 2001 (31 U.S.C. 5318 et seq.) as amended from time to time.

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

“Permitted Encumbrances” means:

(a) Liens for Taxes (i) that are not overdue for a period of more than 30 days or that are being contested in compliance with Section 5.04, or (ii) with respect to which the failure to make payment could not reasonably be expected to have a Material Adverse Effect;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s landlord’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 60 days (or if more than 60 days overdue, are unfiled and no other action has been taken to enforce such Liens) or are being contested in compliance with Section 5.04;

(c) (i) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Borrower or any Subsidiary;

(d) Liens arising out of pledges or deposits to secure the performance of bids, tenders, insurance or other contracts (other than for the repayment of borrowed money), leases or to secure statutory obligations, surety or appeal bonds, or indemnity, performance or other similar bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations), in each case in the ordinary course of business;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, restrictions, rights-of-way and similar encumbrances and minor title defects on real property imposed pursuant to any law (including any Environmental

Law) or arising in the ordinary course of business that do not secure any payment obligations and do not, in the aggregate, materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which do not (i) interfere in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole, or (ii) secure any Indebtedness;

(h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(i) Liens (i) of a collection bank on the items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking or other financial institution arising as a matter of law encumbering deposits or other funds maintained with a financial institution (including the right of set off) and which are customary in the banking industry;

(j) any interest or title of a lessor under leases entered into by the Borrower or any Subsidiaries and financing statements with respect to a lessor's right in and to property leased to such Person;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any Subsidiaries in the ordinary course of business;

(l) Liens deemed to exist in connection with Permitted Investments and reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts maintained in the ordinary course of business and not for speculative purposes;

(m) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Subsidiary in the ordinary course of business;

(n) Liens solely on any cash earnest money deposits made by the Borrower or any Subsidiaries in connection with any letter of intent or purchase agreement;

(o) ground leases in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(p) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(q) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrower or any Subsidiary;

(r) Liens on specific items of inventory or other goods and the proceeds thereof securing such Person's obligations in respect of documentary letters of credit or banker's acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or goods;

(s) Liens in connection with the sale or transfer of the Stock in a Subsidiary not prohibited under this Agreement and customary rights and restrictions contained in agreements relating to such sale or transfer, in each case, pending the completion thereof;

(t) Liens arising by virtue of Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases entered into by the Borrower in the ordinary course of business; and

(u) Liens on cash, cash equivalents or marketable securities of the Borrower or any Subsidiary securing obligations of the Borrower or any Subsidiary under Swap Agreements not incurred for speculative purposes.

"Permitted Investments" means:

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

(b) investments in commercial paper maturing within 12 months from the date of acquisition thereof;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 12 months from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

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

(e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$1,000,000,000.

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

“Plan” means any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

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

“Promissory Note” has the meaning assigned to such term in Section 2.09(e).

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

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

“Recipient” means the Administrative Agent and any Lender.

“Reference Period” has the meaning set forth in Section 1.04(b).

“Register” has the meaning set forth in Section 9.04(b)(iv).

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

“Required Lenders” means, at any time, Lenders having more than 50% in total of the aggregate outstanding amount of the Commitments and aggregate unpaid principal amount of Loans.

“Rescindable Amount” has the meaning as specified in Section 2.15(f).

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

“Responsible Officer” means, with respect to any Person, its president, Financial Officer or other executive officer.

“S&P” shall mean S&P Global Ratings (or any successor thereto).

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any comprehensive Sanctions (at the time of this Agreement, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea Region of Ukraine, the non-government controlled areas of the Kherson and Zaporizhzhia regions of Ukraine, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the U.S. government, including by Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or by the United Nations Security Council, the European Union, any European Union member state or His Majesty’s Treasury of the United Kingdom, (b) any Person located, organized or resident in a Sanctioned Country or (c) any Person owned 50% or more or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

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

“Scheduled Unavailability Date” has the meaning specified in Section 2.11(c).

“SEC” means the United States Securities and Exchange Commission or any successor thereto.

“Second Delayed Draw Commitment” means, as to each Lender, its obligation to make Loans to the Borrower pursuant to Section 2.01(b), in an aggregate principal amount at any one time outstanding not to exceed the dollar amount set forth opposite such Lender’s name on Schedule 2.01 under the caption “Second Delayed Draw Commitment” or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate amount of the Second Delayed Draw Commitments as of the Closing Date is \$250,000,000.

“Second Delayed Draw Commitment Fee” has the meaning assigned to such term in Section 2.11(b).

“Second Delayed Draw Loans” means loans made pursuant to Section 2.01(b).

“Second Delayed Draw Termination Date” means the earlier of (a) the first date on which any amount available under the Second Delayed Draw Commitments has been drawn, (b) the nine-month anniversary of the Ghost Acquisition Closing Date and (c) February 23, 2027.

“Significant Subsidiary” means any Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X promulgated pursuant to the Securities Act of 1933, as amended, as in effect on the Closing Date.

“SOFR Adjustment” means 0.10% (10 basis points).

“SOFR” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

“Solvent” means, with respect to the Borrower and its Subsidiaries (a) the fair value of the assets of the Borrower and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of the Borrower and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) the Borrower and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured and (d) the Borrower and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital. For the purposes of the foregoing, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

“Stock” means shares of capital stock (whether denominated as common stock or preferred stock), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

“Stock Equivalents” means all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other business entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held.

“Subsidiary” means any direct or indirect subsidiary of the Borrower.

“Successor Rate” has the meaning specified in Section 2.11(b).

“Swap Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing),

whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement, including any obligations or liabilities under any such master; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements.

“Taxes” means any and all present or future taxes, levies, imposts, duties, assessments, fees or similar charges imposed (including by deduction or withholding, including backup withholding) by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

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

“Term Benchmark Rate” means, for any Interest Period, an interest rate per annum equal to Term SOFR for such Interest Period.

“Term SOFR” means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to an ABR Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government

Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such term;

provided that if the Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement.

“Term SOFR Loan” means a Committed Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

“Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“Threshold Indebtedness” has the meaning assigned to such term in Section 5.09.

“Transaction Costs” means, with respect to any period, all non-recurring transaction fees, costs and expenses relating to (i) the pay-off, redemption, defeasance, repurchase, incurrence, assumption and/or establishment of any Indebtedness (including the Indebtedness evidenced by the Loan Documents) of the Borrower and/or its Subsidiaries and/or (ii) any acquisition or disposition by the Borrower and/or its Subsidiaries, in each case, including, without limitation, any non-recurring financing related fees, merger and acquisition fees, legal fees and expenses, due diligence fees or any other non-recurring transaction fees, costs and expenses in connection with any of the foregoing.

“Transactions” means the negotiation, execution and delivery of this Agreement (and the making of the Loans and other extensions of credit hereunder on the Closing Date) and the payment of fees and expenses related thereto.

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

“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.

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association

recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

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

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.16(e)(ii)(B)(3).

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under Section 4201 of ERISA.

“Withholding Agent” means any Loan 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.

Section 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Term Benchmark Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Term Benchmark Borrowing”).

Section 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the

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

Section 1.04. Accounting Terms; GAAP. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith; notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (i) any election under Accounting Standards Codification (“ASC”) 825-10-25 (or any other Accounting Standards Codification or Financial Borrower Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at “fair value”, as defined therein and (ii) any treatment of Indebtedness in respect of convertible debt instruments under ASC 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

(b) For the purpose of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters of the Borrower (each such period, a “Reference Period”), (i) if during such Reference Period the Borrower or any Subsidiary shall have made any disposition, Consolidated EBITDA for such Reference Period shall be calculated after giving effect thereto on a pro forma basis, and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made an acquisition (including, for the avoidance of doubt, the Ghost Acquisition), Consolidated EBITDA for such Reference Period shall be calculated after giving effect thereto on a pro forma basis; *provided*, that Borrower shall not be required to calculate Consolidated EBITDA on a pro forma basis with respect to any acquisition (including, for the avoidance of doubt, the Ghost Acquisition) and disposition if the Borrower determines in its sole discretion that it does not have reasonably and readily identifiable information to make such pro forma calculation. Notwithstanding the foregoing, if for SEC reporting purposes the Borrower is required to prepare pro forma financial statements in connection with an acquisition or disposition of the Borrower or its Subsidiaries, then the Borrower will calculate Consolidated EBITDA on a pro forma basis with respect to such acquisition and/or disposition.

Section 1.05. [Reserved].

Section 1.06. Interest Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

ARTICLE II

THE CREDITS

Section 2.01. Commitments; Loans. (a) Subject to the terms and conditions set forth herein, each Lender with a Closing Date Delayed Draw Commitment agrees to make loans denominated in dollars to the Borrower in a single drawing on or after the Closing Date and prior to the Closing Date Delayed Draw Termination Date, in an aggregate principal amount not to exceed such Lender's Closing Date Delayed Draw Commitment (such loans, the "Closing Date Delayed Draw Loans"). Within the foregoing limits and subject to the terms and conditions set forth herein, amounts paid, repaid or prepaid on the Closing Date Delayed Draw Loans may not be reborrowed.

(b) Subject to the terms and conditions set forth herein, each Lender with a Second Delayed Draw Commitment agrees to make loans denominated in dollars to the Borrower in a single drawing on or after the Closing Date and prior to the Second Delayed Draw Termination Date, in an aggregate principal amount not to exceed such Lender's Second Delayed Draw Commitment (such loans, the "Second Delayed Draw Loans"). Within the foregoing limits and subject to the terms and conditions set forth herein, amounts paid, repaid or prepaid on the Second Delayed Draw Loans may not be reborrowed.

Section 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective

Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; *provided* that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13 and Section 2.07(e), each Borrowing shall be ABR Loans or Term Benchmark Loans, as the Borrower may request in accordance herewith. Each Lender at its option may make any Term Benchmark Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement (it being understood that any such Affiliate that makes a Loan shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest in such Loan from such Lender by assignment pursuant to Section 9.04(b)); *provided further* that, as a result of the exercise of such option, such Lender, or such foreign branch or Affiliate of such Lender shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than such Lender is entitled to prior to exercising such option; and *provided further* that each such foreign branch or Affiliate agrees to comply with the requirements of Section 2.16 and be subject to the provisions of Section 2.18 as though it were a Lender.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum; *provided* that any Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; *provided* that there shall not at any time be more than a total of 15 Term Benchmark Borrowings.

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

Section 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone or, subject to Section 9.01(b), facsimile or electronic mail (a) in the case of a Term Benchmark Borrowing, not later than 12:00 noon, New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, the same Business Day as the proposed Borrowing (or, solely in the case of any ABR Borrowing to be provided on the Closing Date, not later than 12:00 p.m., New York City time one Business Day before the date of the proposed Borrowing (or such later time as may be agreed by the Administrative Agent)). Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or, subject to Section 9.01(b), facsimile or electronic mail to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing;
- (iv) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and
- (v) the location and number of the Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

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

Section 2.04. [Reserved].

Section 2.05. [Reserved].

Section 2.06. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time (or, in the case of a notice for a same day Borrowing of ABR Loans, 3:00 p.m., New York City time) to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the aggregate amounts so received from the Lenders, in immediately available funds, to an account of the Borrower pursuant to instructions of the Borrower on file with the Administrative Agent or otherwise designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Rate and

a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.07. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone, subject to Section 9.01(b), facsimile or electronic mail by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or, subject to Section 9.01(b), facsimile or electronic mail to the Administrative Agent with a written Interest Election Request in a form approved by the Administrative Agent, such approval not to be unreasonably withheld or delayed, and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.03:

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

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

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing; and

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

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

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

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period, such Borrowing shall have an Interest Period of one month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, each Term Benchmark Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.08. Termination and Reduction of Commitments. (a) Unless previously terminated, each Closing Date Delayed Draw Commitment shall terminate on the Closing Date Delayed Draw Termination Date. Unless previously terminated, the Second Delayed Draw Commitments shall terminate on the Second Delayed Draw Termination Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; *provided* that each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$10,000,000.

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

Section 2.09. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender, the then unpaid principal amount of each Loan on the Maturity Date (or if earlier, the date of the termination of the Commitments in full).

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

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

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein (absent manifest error); *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note (a "Promissory Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender a Promissory Note payable to such Lender and its registered assigns and in a form approved by the Administrative Agent.

Section 2.10. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone, facsimile or electronic mail (and, in the case of telephonic notice, promptly confirmed by hand delivery, facsimile or electronic mail) of any prepayment hereunder (i) in the case of prepayment of a Term Benchmark Borrowing, not later than 2:00 p.m., New York City time, three Business Days before the date of prepayment (or such shorter notice as may be satisfactory to the Administrative Agent) or (ii) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the date of prepayment (or such shorter notice as may be satisfactory to the Administrative Agent). Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; *provided* that, a notice of prepayment delivered by the Borrower may state that such notice is conditioned upon the occurrence of an event, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued and unpaid interest to the extent required by Section 2.12.

Section 2.11. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender with a Closing Date Delayed Draw Commitment, a commitment fee (the

“Closing Date Delayed Draw Commitment Fee”), which shall accrue at a rate of 0.09% on the daily amount of the unused Closing Date Delayed Draw Commitment of such Lender during the period from and including the date which is 90 days following the Closing Date to but excluding the Closing Date Delayed Draw Termination Date. Accrued Closing Date Delayed Draw Commitment Fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the Closing Date Delayed Draw Commitments terminate, commencing on the first such date to occur after the Closing Date. All Closing Date Delayed Draw Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Lender with a Second Delayed Draw Commitment, a commitment fee (the “Second Delayed Draw Commitment Fee”, and together with the Closing Date Delayed Draw Commitment Fee, the “Commitment Fees”), which shall accrue at a rate of 0.09% on the daily amount of the unused Second Delayed Draw Commitment of such Lender during the period from and including March 2, 2025 to but excluding the Second Delayed Draw Termination Date. Accrued Second Delayed Draw Commitment Fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the Second Delayed Draw Commitments terminate, commencing on the first such date to occur after the Closing Date. All Second Delayed Draw Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) If at any time Bank of America, N.A. is not the only Lender under this Agreement, the Borrower and Bank of America, N.A. agree to enter into a fee letter pursuant to which the Borrower will pay Bank of America, N.A. an agency fee, in an amount to be mutually agreed between the Borrower and Bank of America, N.A., for its services as Administrative Agent hereunder.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds in dollars, to the Administrative Agent for distribution, in the case of Commitment Fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

Section 2.12. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternative Base Rate *plus* the Applicable Rate.

(b) [Reserved].

(c) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Term Benchmark Rate for the Interest Period in effect for such Borrowing *plus* the Applicable Rate.

(d) [Reserved].

(e) [Reserved].

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

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

(h) All computations of interest for ABR Loans (including ABR Loans determined by reference to Term SOFR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.17(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 2.13. Alternate Rate of Interest.

(a) If in connection with any request for a Term SOFR Loan or a conversion of ABR Loans to Term SOFR Loans or a continuation of any of such Loans, as applicable, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 2.13(b), and the circumstances under clause (i) of Section 2.13(b) or the Scheduled Unavailability Date has occurred, or (B) adequate and reasonable means do not otherwise exist for determining Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan or in connection with an existing or proposed ABR Loan, or (ii) the Administrative Agent or the Required Lenders determine that for any reason that Term SOFR for any requested Interest Period with respect to a proposed Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Administrative

Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be representative or made available, or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide such representative interest periods of Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer representative or available permanently or indefinitely, the “Scheduled Unavailability Date”);

then, on a date and time determined by the Administrative Agent (any such date, the “Term SOFR Replacement Date”), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR *plus* the SOFR Adjustment for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the “Successor Rate”).

If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a monthly basis.

Notwithstanding anything to the contrary herein, (i) if the Administrative Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (ii) if the events or circumstances of the type described in Section 2.13(b)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 2.13 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark. and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the

United States for such benchmark. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a “Successor Rate”. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

The Administrative Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent (in consultation with the Borrower).

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero%, the Successor Rate will be deemed to be zero% for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

(c) For purposes of this Section 2.13, those Lenders that either have not made, or do not have an obligation under this Agreement to make, the relevant Loans in Dollars shall be excluded from any determination of Required Lenders.

Section 2.14. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than with respect to Taxes) affecting this Agreement or Term SOFR Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in clauses (a) or (b) of this Section 2.14 and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 2.14 shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 2.14 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender'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 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to SOFR or Term SOFR, or to determine or charge interest rates based upon SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (a) any obligation of such Lender to make or continue Term SOFR Loans or to convert ABR Loans to Term SOFR Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the Term SOFR component of the Alternative Base Rate, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Alternative Base Rate, in each case

until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Term SOFR Loans of such Lender to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Alternative Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Term SOFR Loan to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Loan and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon SOFR, the Administrative Agent shall during the period of such suspension compute the Alternative Base Rate applicable to such Lender without reference to the Term SOFR component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.15.

Section 2.15. Break Funding Payments. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(b) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(c) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(d) any assignment of a Term SOFR Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 2.18;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

Section 2.16. Taxes. (a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including

such deductions and withholdings applicable to additional sums payable under this Section 2.16(a)) the Administrative Agent or Lender (as applicable) receives an amount equal to the sum it would have received had no such deduction or withholding for Indemnified Tax been made.

(b) Without duplication of any Tax paid under Section 2.16(a), the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) (i) The Loan Parties shall jointly and severally indemnify the Administrative Agent and each Lender, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16(c)) payable or paid by the Administrative Agent or such Lender (as the case may be) or required to be withheld or deducted from a payment to the Administrative Agent or such Lender (as the case may be), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority (which demand shall be made within 180 days of the earlier of (x) if the Administrative Agent or such Lender received written notice from a Governmental Authority demanding payment of such Indemnified Taxes, the date the Administrative Agent or such Lender received such written notice or (y) the date the Administrative Agent or such Lender filed a tax return on which such Indemnified Taxes are reflected). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(ii) If the Borrower determines in good faith that a reasonable basis exists for contesting an Indemnified Tax with respect to which it has made an indemnification payment under this subsection (c), the Administrative Agent or the relevant Lender shall cooperate with the Borrower in challenging such Tax at the Borrower's expense if requested by the Borrower in writing; *provided, however*, that neither the Administrative Agent nor any Lender shall be required to take any action pursuant to this Section 2.16(c)(ii) that, in the sole discretion of the Administrative Agent or such Lender, would cause the Administrative Agent or such Lender to suffer any material economic, legal or regulatory disadvantage and such disadvantage is communicated to the Borrower in writing; *provided further* that nothing contained in this Section 2.16(c)(ii) shall interfere with the right of the Administrative Agent or any Lender to arrange its tax affairs in whatever manner it thinks fit nor oblige the Administrative Agent or any Lender to make available its tax returns or disclose any information relating to its tax affairs or any computations in respect thereof to the Borrower or require the Administrative Agent or any Lender to do anything that would materially prejudice its ability to benefit from any other refunds, credits, reliefs, remissions or repayments to which it may be entitled.

(d) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.16, such Loan Party shall deliver to the

Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) (i) Any Lender (which, solely for purposes of this Section 2.16(e), shall include the Administrative Agent) that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), two (2) duly completed and executed copies of IRS Form W-9 (or successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, two (2) duly completed and executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (or, in each case, any successor form) claiming eligibility for benefits of such treaty;

(2) two (2) duly completed and executed copies of IRS Form W-8ECI (or successor form);

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not (I) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (II) a “10 percent shareholder” of the Borrower within the meaning of section 871(h)(3)(B) of the Code, or (III) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) two (2) duly completed and executed copies of IRS Form W- 8BEN or W-8BEN-E (or, in each case, any successor form); or

(4) to the extent a Foreign Lender is not the beneficial owner, two (2) duly completed and executed copies of IRS Form W-8IMY (or successor form), accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9 and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471 (b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment.

Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

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

(f) If the Administrative Agent or a Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes (including any Tax credit in lieu of a refund) as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 2.16, it shall pay over such refund to such Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 2.16 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender (as applicable) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided*, that such Loan Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Loan Party by the Administrative Agent or such Lender (as applicable) pursuant to this subsection (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the Administrative Agent or Lender, as applicable, in a less favorable net after-Tax position than such 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 Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to a Loan Party or any other Person.

(g) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Taxes and without limiting any obligation of the Loan Parties to do so) and (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 9.04(c)(ii) relating to the maintenance of a Participant Register, in either case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable and documented expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan

Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (g).

(h) Each party's obligations under this Section 2.16 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under the Loan Documents.

(i) For purposes of this Section 2.16, the term "applicable law" includes FATCA.

Section 2.17. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 383 Madison Avenue, New York, New York, except that payments pursuant to Sections 2.14, 2.15, 2.16 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any

payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.06(b), 2.17(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof) (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid, and/or (ii) hold such amounts in a segregated account over which the Administrative Agent shall have exclusive control as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clause (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

(f) With respect to any payment that the Administrative Agent makes for the account of the Lenders hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) the Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the Administrative agent has for any reason otherwise erroneously made such payment; then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Section 2.18. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.14, or if the Borrower is required to pay Indemnified Taxes or any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans

hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.14, (ii) the Borrower is required to pay any Indemnified Taxes or additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, (iii) [reserved] or (iv) in connection with any proposed amendment, modification, waiver or termination requiring the consent of all the Lenders or all affected Lenders, the consent of the Required Lenders is obtained but the consent of any Lender whose consent is required is not obtained, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04 or pursuant to procedures agreed upon by the Administrative Agent and the Borrower), all its interests, rights (other than its rights to payments pursuant to Section 2.14, Section 2.15, Section 2.16 or Section 9.03 arising prior to the effectiveness of such assignment) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) the Borrower shall have received the prior written consent of the Administrative Agent with respect to any assignee that is not already a Lender hereunder which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.19. Defaulting Lenders. Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender.

(a) fees shall cease to accrue on the undrawn amount of the Commitment of such Defaulting Lender pursuant to Sections 2.11(a) and 2.11(b);

(b) the Commitment of such Defaulting Lender shall not be included in determining whether the Required Lenders (or all Lenders, as the case may be) have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); *provided*, that this clause (b) shall not apply to the vote

of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby if such Defaulting Lender is an affected Lender;

(c) If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments, and reimburse each such Lender for any costs of the type described in Section 2.15 incurred by any Lender as a result of such purchase, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender;

(d) [Reserved].

(e) [Reserved].

(f) [Reserved].

(g) [Reserved].

(h) The rights and remedies against, and with respect to, a Defaulting Lender under this Section 2.19 are in addition to, and cumulative and not in limitation of, all other rights and remedies that the Administrative Agent, each Lender or the Borrower or any other Loan Party may have at any time against, or with respect to, such Defaulting Lender.

ARTICLE III REPRESENTATIONS AND WARRANTIES

To induce the Lenders and the Administrative Agent to enter into this Agreement, the Borrower makes each of the representations and warranties set forth below as of the Closing Date and (except as set forth in Section 4.02(b)), as of the date of each credit extension hereunder:

Section 3.01. Organization; Powers. (a) Each Loan Party is (i) duly organized (where relevant) and validly existing and (ii) in good standing (where relevant), in each case under the laws of the jurisdiction of its organization or formation, except in the case of a Subsidiary, where the failure to so be duly organized, validly exist or in good standing would not reasonably be expected to have a Material Adverse Effect.

(b) Each Loan Party has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, is qualified to do business in, and is in good standing (where relevant) in, every jurisdiction where such qualification is required.

Section 3.02. Authorization; Enforceability. Each Loan Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Loan Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party. Each of this Agreement and the other Loan Documents has been duly executed and delivered by each Loan Party party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03. Governmental Approvals; No Conflicts. The execution and delivery of each Loan Document by each Loan Party party thereto and performance thereof: (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect (except for (i) any reports required to be filed by the Borrower with the SEC pursuant to the Exchange Act or (ii) those that may be required from time to time in the ordinary course of business that may be required to comply with certain covenants contained in the Loan Documents), (b) will not violate the charter or by-laws (or equivalent organizational documents) of the Borrower or of any other Loan Party, (c) will not violate any applicable law (including ERISA and Environmental Laws) or regulation or any order of any Governmental Authority to which any Loan Party is subject, and (d) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any other Loan Party or its assets or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, except in the case of clauses (a), (c) and (d) above for any such violations or defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders the Borrower's consolidated balance sheet and consolidated statements of income, comprehensive income, stockholders' equity and cash flows as of and for the fiscal year ended December 31, 2023, reported on by Deloitte & Touche LLP. To the knowledge of the Borrower, such financial statements present fairly, in all material respects the consolidated financial position, results of operations and cash flows of the Borrower as of such date and for such period in accordance with GAAP.

(b) As of the Closing Date, since December 31, 2023 there has been no Material Adverse Change.

Section 3.05. Properties. (a) The Borrower and its Subsidiaries have good title to, or valid leasehold interests in, all its real and personal property material to their business, except for minor defects in title that do not interfere with their ability to conduct their business as currently conducted or to utilize such properties for their intended purposes or where the failure to have such title or interest would not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower and its Subsidiaries collectively own, or are licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property used in their business, and such use by the Borrower and its Subsidiaries, to the best of knowledge of the Borrower, does not infringe upon the material rights of any other Person except as would not reasonably be expected to have a Material Adverse Effect.

Section 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Responsible Officer of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries as to which there is a reasonable expectation of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, except as disclosed in filings made by the Borrower with the SEC on or before the date that is five days prior to the date hereof.

(b) Except with respect to any other matters that would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect, the Borrower and its Subsidiaries (i) have not failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) to the knowledge of the Borrower, have not become subject to any Environmental Liability, and (iii) have not received notice of any claim with respect to any Environmental Liability.

Section 3.07. Compliance with Laws. The Borrower and its Subsidiaries are in compliance with all laws, regulations and orders of any Governmental Authority applicable to them or their property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.08. Investment Company Status. No Loan Party is an “investment company” as such term is defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

Section 3.09. Taxes. The Borrower and its Subsidiaries have timely filed or caused to be filed all Tax returns and reports required to have been filed by them and have paid or caused to be paid all Taxes required to have been paid by them, except (a) Taxes not yet delinquent, not yet in default or that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to have a Material Adverse Effect. The present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Accounting Standards Codification 715-30-35-1 A) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans, in each case by an amount that, if required to be paid by the Borrower and its Subsidiaries, would reasonably be expected to have a Material Adverse Effect.

Section 3.11. Disclosure. None of the reports, financial statements or certificates or other written information (other than information of a global economic or industry nature) furnished by or on behalf of the Borrower or its Affiliates to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or otherwise delivered hereunder (as modified or supplemented by other written information so furnished prior to the relevant measurement date for this representation and warranty), taken as a whole, contained as of the date such reports, financial statements, certificates or other written information were so furnished, any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; *provided* that, with respect to projected financial information and other forward-looking statements, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time; it being recognized by the Lenders that such projections and other forward-looking statements are as to future events and are not to be viewed as facts and that actual results during the period or periods covered by any such projections or other forward-looking statements may differ significantly from the projected results and such differences may be material.

Section 3.12. Margin Regulations. No part of the proceeds of any Loan have been used or will be used by the Borrower or any Subsidiary, whether directly or indirectly, for any purpose that entails a violation of Regulation U or X of the Board.

Section 3.13. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

Section 3.14. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures reasonably designed to promote compliance by the Borrower, its Subsidiaries and their respective directors, officers and employees (in the case of directors, officers, employees, in connection with their activities undertaken for or on behalf of the Borrower and its Subsidiaries) with Anticorruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and directors and to the knowledge of the Borrower its employees (in the case of directors, officers, employees, in connection with their activities undertaken for or on behalf of the Borrower and its Subsidiaries), are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of

the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. None of the proceeds of this Agreement will be used by the Borrower directly or to the Borrower's knowledge indirectly, for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country, to the extent such activities, business or transaction would violate any Anti-Corruption Law or applicable Sanctions or will violate the PATRIOT Act.

Section 3.15. Solvency. The Borrower and its Subsidiaries are, as of the Closing Date, after giving effect to the Transactions and the making of the Loans and application of the proceeds thereof, on a consolidated basis, Solvent.

ARTICLE IV

CONDITIONS

Section 4.01. Closing Date. This Agreement shall not become effective until the time and date (the "Closing Date") on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent shall have received a counterpart of this Agreement, duly executed by each party hereto, and the Guaranty, duly executed by each party thereto;

(b) The Administrative Agent shall have received, for the Borrower and each Guarantor, a certificate of good standing (or the equivalent) from the appropriate governing agency of such Loan Party's jurisdiction of organization (to the extent the concept of good standing is applicable in such jurisdiction);

(c) The Administrative Agent shall have received a certificate, dated the Closing Date, of the Secretary or an Assistant Secretary of the Borrower and each Guarantor (or, if such Loan Party does not have a secretary or assistant secretary, any other Person duly authorized to execute such a certificate on behalf of such Loan Party) certifying as to (i) specimen signatures of the persons authorized to execute Loan Documents to which such Loan Party is a party, (ii) copies of such Loan Party's constituent organizational documents, and (iii) the resolutions of the board of directors or other appropriate governing body of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which it is a party;

(d) The Administrative Agent shall have received at least three Business Days prior to the Closing Date all documentation and other information regarding the Borrower and Guarantors required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation, to the extent reasonably requested at least ten Business Days prior to the Closing Date;

(e) The Administrative Agent shall have received a customary favorable written legal opinion dated the Closing Date (addressed to the Administrative Agent and the Lenders) of (i) Cleary Gottlieb Steen & Hamilton LLP, counsel for the Loan Parties, and (ii) Lowenstein Sandler LLP, New Jersey counsel for the Loan Parties;

(f) At the time of, and upon giving effect to the Borrowing of any Loans (if any) on, the Closing Date, the representations and warranties in this Agreement and the other Loan Documents shall be true and correct, in all material respects (and in all respects if already qualified by materiality), except to the extent any such representations or warranties are limited to a specific date, in which case, such representations and warranties are accurate in all material respects as of such specific date (and in all respects if already qualified by materiality);

(g) At the time of, and upon giving effect to the Borrowing of any Loans (if any) on, the Closing Date, there shall not exist any Default or Event of Default;

(h) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of the Borrower, confirming compliance as of the Closing Date with the conditions contained in paragraphs (f), (g) and (k) of this Section 4.01; and

(i) The Administrative Agent shall have received a solvency certificate from a Financial Officer of the Borrower substantially in the form of Exhibit E hereto;

(j) The Administrative Agent shall have received all costs, fees, expenses (including, without limitation, legal fees and expenses) to the extent invoiced at least two Business Days prior to the Closing Date, in each case, to the extent required by the Loan Documents to be paid on or prior to the Closing Date; and

(k) Since December 31, 2023 there shall not have occurred a Material Adverse Change.

Section 4.02. Conditions to Certain Credit Extensions. The several obligations of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) The Administrative Agent shall have received a duly executed Borrowing Request or such other notice or request reasonably satisfactory to the Administrative Agent;

(b) As of the date of such Borrowing, the representations and warranties set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (and in all respects if already qualified by materiality), except to the extent any such representations or warranties are limited to a specific date, in which case, such representations and warranties are accurate in all material respects as of such specific date (and in all respects if already qualified by materiality); and

(c) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (b) and (c) of this Section 4.02.

Section 4.03. Determinations under Section 4.01. For the purposes of determining whether the conditions precedent specified in Section 4.01 have been satisfied, each Lender shall be deemed to have consented to, approved, accepted or be satisfied with each document or other matter required thereunder to be consent to, approved by, acceptable to or satisfactory to the Lenders, unless the Administrative Agent shall have received notice from such Lender prior to the Closing Date, specifying its objection thereto.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Facility Termination, the Borrower covenants and agrees with the Lenders that:

Section 5.01. Financial Statements; Ratings Change and Other Information. The Borrower will furnish to the Administrative Agent (for distribution to each Lender):

(a) on or before the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) or, if such financial statements are not required to be filed with the SEC, on or before the date that is 90 days after the end of each such fiscal year, its audited consolidated balance sheet and consolidated statements of income, comprehensive income, stockholders' equity and cash flows as of the end of and for such year, all certified by Deloitte & Touche LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit; *provided* that such report may contain a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, if such qualification or exception is related solely from the classification of the Loans hereunder as short-term indebtedness during the twelve-month period prior to the Maturity Date hereunder) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP;

(b) on or before the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower or, if such financial statements are not required to be filed with the SEC, on or before the date that is 45 days after the end of each such quarterly accounting period, its consolidated balance sheet and consolidated statements of income, comprehensive income, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the elapsed portion of the fiscal year ended with the last day of such quarterly period, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the

previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.04;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower with the SEC, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be;

(e) promptly after Moody's or S&P shall have announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change; and

(f) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request; *provided*, that such financial information is otherwise prepared by the Borrower or such Subsidiary in the ordinary course of business, is of a type customarily provided to lenders in similar credit facilities and is not subject to attorney-client or similar privilege.

Information required to be delivered pursuant to subsections (a), (b) and (d) of this Section 5.01 shall be deemed to have been delivered if such information, or one or more annual or quarterly or other reports or proxy statements containing such information shall have been posted by the Administrative Agent on IntraLinks or similar site to which the Lenders have been granted access or posted and available on the website of the SEC at <http://www.sec.gov>.

Section 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent (for distribution to each Lender) prompt written notice of the following:

(a) A Responsible Officer of the Borrower obtaining knowledge of the existence of any Default; and

(b) A Responsible Officer of the Borrower obtaining knowledge of the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Subsidiary that, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other Responsible Officer of the Borrower setting forth the details of the event or

development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Material Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (a) its legal existence (in the case of the Borrower, to remain organized under the laws of the United States, any state thereof or the District of Columbia) except, solely in the case of a Material Subsidiary, where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (b) the rights, licenses, permits, privileges and franchises material to the conduct of the business of the Borrower and its Subsidiaries, taken as a whole except to the extent that failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; *provided* that the foregoing shall not prohibit any transaction permitted under Section 6.02.

Section 5.04. Payment of Taxes. The Borrower will, and will cause each of its Material Subsidiaries to, pay its Tax liabilities, that, if not paid, would reasonably be expected to have a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto.

Section 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Material Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and casualty and condemnation excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance (which may include self-insurance and co-insurance) in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, except in the case of clauses (a) and (b), to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect or as otherwise not prohibited by this Agreement.

Section 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct (in all material respects) entries are made of all dealings and transactions in relation to its business and activities, to the extent necessary to permit financial statements to be prepared in conformity with GAAP. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice coordinated through the Administrative Agent, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers, all at such reasonable times during normal business hours; provided that, unless an Event of Default shall have occurred and be continuing, only one visit shall be permitted during any calendar year. Notwithstanding anything to the contrary in this Section 5.06, none of the Borrower or any of its Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial

proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) is prohibited by law or any binding agreement not entered into in contemplation of avoiding such inspection and disclosure rights, (iii) is subject to attorney-client or similar privilege or constitutes attorney work product, or (iv) in respect of which the Borrower or any Subsidiary owes confidentiality obligations to any third party not entered into in contemplation of avoiding such inspection and disclosure rights.

Section 5.07. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws (including ERISA and Environmental Laws), rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to promote compliance by the Borrower, its Subsidiaries and their respective directors, officers and employees (in the case of directors, officers, employees, in connection with their activities undertaken for or on behalf of the Borrower and its Subsidiaries) with Anti-Corruption Laws and applicable Sanctions in all material respects.

Section 5.08. Use of Proceeds. The proceeds of the Loans will be used for general corporate purposes of the Borrower and its Subsidiaries, including to finance acquisitions (including the payment of any fees and expenses incurred in connection therewith). The Borrower will not request any Borrowing, and the Borrower shall not use and shall cause its Subsidiaries not to use, the proceeds of any Borrowing in any manner that would result in the representations and warranties set forth in Section 3.12 becoming untrue. The Borrower will not directly or to the Borrower's knowledge, indirectly, (i) use the proceeds of any Loan or (ii) lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, in any other manner that would result in a violation of applicable Sanctions by any Person party hereto (including any Person participating in the Loans, whether as underwriter, investor, or otherwise), or for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country, to the extent such activities, business or transaction would violate Sanctions, or will violate any Anticorruption Law.

Section 5.09. Additional Guarantors; Release of Guarantors. The Borrower shall cause (i) each of its Material Subsidiaries (other than an Excluded Subsidiary) that incurs or assumes any Indebtedness for borrowed money in the form of a debt security or a credit facility (other than this Agreement) with an outstanding principal amount in excess of \$100,000,000 (such Indebtedness for borrowed money being herein referred to as "Threshold Indebtedness"), that is Guaranteed by the Borrower and (ii) each of its Subsidiaries (other than an Excluded Subsidiary) that Guarantees any Threshold Indebtedness of the Borrower, in each case, to become a party to the Guaranty as a Guarantor within 30 days of the date such Subsidiary so incurs or assumes such Threshold Indebtedness Guaranteed by the Borrower or Guarantees Threshold Indebtedness of the Borrower (or such longer period of time as is acceptable to the Administrative Agent). In the event a Subsidiary that is a Guarantor ceases to Guarantee or ceases to be the borrower of any such Threshold Indebtedness referenced in the immediately preceding sentence, the Borrower may provide written notice certifying to the occurrence of such event (which notice and

certification may be provided in advance of the occurrence of such event) to the Administrative Agent, whereupon such Subsidiary shall automatically be released from the Guaranty and shall cease to be a Guarantor immediately upon the occurrence of such event. The Lenders hereby authorize the Administrative Agent to enter into any amendments, supplements or termination or release confirmations to effect the provisions of this Section 5.09.

ARTICLE VI

NEGATIVE COVENANTS

Until the Facility Termination, the Borrower covenants and agrees with the Lenders that:

Section 6.01. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof (with all such Liens securing Indebtedness of any Loan Party for borrowed money being set forth in Schedule 6.01); *provided* that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary (other than the proceeds or products of the property or asset originally subject to such Lien) and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (except by the amount of any accrued interest and premiums with respect to such Indebtedness and transaction costs and expenses in connection with such refinancing, refunding, extension, renewal or replacement);

(c) Liens of any Subsidiary in favor of any Loan Party or Liens of any Loan Party in favor of another Loan Party;

(d) Liens securing Indebtedness outstanding consisting of Finance Lease Obligations or purchase money obligations (including equipment leases) provided that such Liens do not encumber any property other than property financed by such Indebtedness or subject to such Finance Lease Obligations (other than the proceeds or products thereof (it being understood for purposes of this clause (d) that individual financings provided by a Person or its Affiliates may be cross collateralized to other financings provided by such Person or its Affiliates));

(e) Liens on the assets of any Excluded Subsidiary;

(f) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary (whether by merger or otherwise) or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; *provided* that (i) such Lien is not created in contemplation of or in

connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary (except improvements or proceeds of such property) and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and any refinancing, replacement, modification, repayment, redemption, refunding, renewal or extension thereof on such property or assets and do not increase the outstanding principal amount thereof (except by the amount of any accrued interest and premiums with respect to such Indebtedness and transaction fees, costs and expenses in connection with such refinancing, replacement, modification, repayment, redemption, refunding, renewal or extension thereof);

(g) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; *provided* that (i) such security interests and the Indebtedness secured thereby are incurred prior to or within 270 days after such acquisition or the completion of such acquisition, construction or improvement, (ii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iii) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary;

(h) any Lien arising in connection with the financing of accounts receivable by the Borrower or any of its Subsidiaries, provided that the uncollected amount of account receivables subject at any time to any such financing shall not exceed the greater of (x) \$750,000,000 and (y) 2% of the Consolidated Total Assets of the Borrower as of such date;

(i) Liens not otherwise permitted by clauses (a) through (h) above securing any Indebtedness, the aggregate outstanding principal amount of which as of the date of any incurrence thereof shall not exceed 7.5% of the Consolidated Total Assets of the Borrower as of such date.

Section 6.02. Fundamental Changes. (a) The Borrower will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, consummate a Division as the Dividing Person or sell, transfer, lease or otherwise dispose of (directly or indirectly through a Subsidiary) (in one transaction or in a series of transactions) all or substantially all of the assets of the Borrower and its Subsidiaries on a consolidated basis to any Person other than the Borrower or a Subsidiary, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing, (i) any Person may merge into the Borrower in a transaction in which (x) the Borrower is the surviving corporation or (y) the surviving Person (1) is a corporation organized and validly existing under the laws of the United States of America or any State thereof or the District of Columbia, (2) has long-term senior unsecured, unguaranteed debt securities rated no lower than Baa2 by Moody's and BBB by S&P, (3) expressly assumes all of the Borrower's obligations under this Agreement and (4) provides such information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation, as is reasonably requested in writing by the Administrative Agent and such other approvals, opinions

or documents consistent with the requirements in Section 4.01 as the Administrative Agent (in consultation with the Lenders) may reasonably request and (ii) the Borrower may consummate a Division if (v) the Division Successor which holds the rights and liabilities under this Agreement (“Division Successor Borrower”) is a corporation organized and validly existing under the laws of the United States of America or any State thereof or the District of Columbia, (w) the Division Successor Borrower has long-term senior unsecured, unguaranteed debt securities rated no lower than Baa2 by Moody’s and BBB by S&P, (x) the Division will not result in a sale, transfer, lease or other disposition of all or substantially all of the assets held the Borrower and its Subsidiaries on a consolidated basis immediately prior to giving effect to such Division, (y) the Division Successor Borrower expressly assumes all of the Borrower’s obligations under this Agreement and (z) the Division Successor Borrower provides such information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation, as is reasonably requested in writing by the Administrative Agent and such other approvals, opinions or documents consistent with the requirements in Section 4.01 as the Administrative Agent (in consultation with the Lenders) may reasonably request.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related, incidental or ancillary thereto or that is a reasonable extension thereof.

Section 6.03. [Reserved].

Section 6.04. Consolidated Interest Coverage Ratio. The Borrower will not permit the Consolidated Interest Coverage Ratio as of the last day of any fiscal quarter of the Borrower to be less than 3.25 to 1.00.

Section 6.05. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, in excess of \$25,000,000, except (a) transactions at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, (b) compensation to employees, officers, directors, members of management or consultants (including in the form of equity grants, sales or issuances of Stock (and associated matching equity awards), restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans), severance arrangements and the payment and/or reimbursement of directors’ and officers’ fees and expenses and the provision of indemnification to directors, officers, employees, members of management and consultants of the Borrower and the Subsidiaries, (c) transactions between or among the Borrower and any Subsidiary or between or among Subsidiaries, (d) pursuant to a contract or agreement for the sharing or allocation of Taxes, (e) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into such Borrower or its Subsidiaries; *provided* that such agreement was not entered into in contemplation of such acquisition or merger, (f) any dividend

or other distribution (whether in cash, securities or other property) with respect to any Stock in the Borrower, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Stock in the Borrower, (g) transactions that are approved by a majority of the disinterested members of the board of directors of the Borrower, (h) transactions undertaken in good faith for the purpose of improving the consolidated Tax efficiency of such Borrower and its Subsidiaries and not for the purpose of circumventing any covenant set forth in this Agreement, (i) transactions with joint ventures for the purchase, sale or distribution of goods and services entered into in the ordinary course of business and (j) the existence of, and the performance of obligations of the Borrower or any of its Subsidiaries under the terms of any agreement in existence or contemplated as of the Closing Date and identified on Schedule 6.05, as these agreements may be amended, restated, amended and restated, supplemented, extended, renewed or otherwise modified from time to time; *provided, however*, that any future amendment, restatement, amendment and restatement, supplement, extension, renewal or other modification entered into after the Closing Date will be permitted only to the extent that its terms are not more disadvantageous in any material respect, taken as a whole, to the Lenders than the terms of the agreements on the Closing Date.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events (“Events of Default”) shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party that is a Material Subsidiary in or in connection with this Agreement or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any amendment or modification hereof or waiver hereunder, shall prove to have been incorrect in any material respect when made or deemed made (unless any such representation or warranty is qualified as to materiality or Material Adverse Effect, in which case such representation or warranty shall prove to have been incorrect in any respect);

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Sections 5.02(a), 5.03 (with respect to the Borrower’s existence) or 5.08 or in Article VI;

(e) the Borrower or any other Loan Party that is a Material Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after the Administrative Agent gives notice thereof to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Loan Party that is a Material Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, and such failure shall continue after any applicable grace period;

(g) any default occurs in respect of any Material Indebtedness that results in such Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; *provided* that this clause (g) shall not apply to (i) any Indebtedness that becomes due as a result of any sale, lease, transfer or other disposition of property or assets securing such Indebtedness and (ii) any default in observance or performance of any of the obligations of the Borrower or any Material Subsidiary under any Swap Agreement that results in the exercise by the counterparty thereunder of such counterparty's right to terminate its position under such Swap Agreement, and unless the Swap Termination Value owed by the Borrower or such Material Subsidiary as a result of such termination is greater than \$250,000,000.

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Significant Subsidiary (including any group of Subsidiaries considered collectively in the aggregate, that would constitute a Significant Subsidiary) or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any such Significant Subsidiary (including any group of Subsidiaries considered collectively in the aggregate, that would constitute a Significant Subsidiary) or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed, undischarged or unbonded for 60 consecutive days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Significant Subsidiary (including any group of Subsidiaries considered collectively in the aggregate, that would constitute a Significant Subsidiary) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Significant

Subsidiary (including any group of Subsidiaries considered collectively in the aggregate, that would constitute a Significant Subsidiary) or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Significant Subsidiary (including any group of Subsidiaries considered collectively in the aggregate, that would constitute a Significant Subsidiary) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$250,000,000 (to the extent not covered by independent third-party insurance or indemnity (other than standard deductibles) as to which the insurer or indemnitor has been notified of such judgment and has not denied coverage thereof) shall be entered against the Borrower or any Material Subsidiary and the same shall remain unpaid or undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or such Material Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that results in liability of the Borrower or any Material Subsidiary in an aggregate amount which would reasonably be expected to have a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the Guaranty shall cease to be valid and enforceable against any Guarantor that is a Significant Subsidiary (including any group of Subsidiaries considered collectively in the aggregate, that would constitute a Significant Subsidiary), or any such Person or Persons shall so assert in writing;

then, and during the continuance of any Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate any outstanding Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any Event of Default with respect to the Borrower described in clause (h) or (i) of this Article, any outstanding Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Section 8.01. The Administrative Agent. (a) Each of the Lenders hereby irrevocably appoints the Administrative Agent and its successors and assigns as its agent 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 and of the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Document.

(b) The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

(c) None of the Administrative Agent or the Bookrunner shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing (i) none of the Administrative Agent or the Bookrunner shall be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (ii) none of the Administrative Agent or the Bookrunner shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby and in the other Loan Documents that such Person is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) and, unless and until revoked in writing, such written directions shall be binding upon each Lender; *provided, however*, that no such Person shall be required to take any action that (x) it in good faith believes exposes it to liability unless it receives an indemnification satisfactory to it from the Lenders with respect to such action or (y) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; *provided, further*, that the Administrative Agent and the Bookrunner, as applicable, may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided, and (iii) except as expressly set forth herein, none of the Administrative Agent or the Bookrunner, shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by it or its Affiliates in any capacity. None of the Administrative Agent or the Bookrunner shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided

in Section 9.02) or in the absence of its own gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction). The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (A) any statement, warranty or representation made in or in connection with this Agreement, (B) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (D) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (E) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) 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 believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(e) The Administrative Agent may perform any and all its duties and exercise its rights and powers 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 its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the revolving credit facility provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the gross negligence or willful misconduct of any subagent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(f) The Administrative Agent may at any time resign by notifying the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (unless an Event of Default under clauses (a), (b), (h) or (i) of Article VII has occurred and is continuing), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its

resignation (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the earlier of (x) the occurrence of the Resignation Effective Date and (y) the acceptance of its appointment as Administrative Agent hereunder by a successor, the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and, in the case of clause (y), such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent. It is understood and agreed that whether or not a successor has been appointed, any such resignation by the Administrative Agent shall become effective in accordance with any such notice delivered in accordance with this Section 8.01(f) on the Resignation Effective Date and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent’s resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

(g) Each Lender expressly acknowledges that none of the Administrative Agent nor the Bookrunner has made any representation or warranty to it, and that no act by the Administrative Agent or the Bookrunner hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party of any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or such Bookrunner to any Lender as to any matter, including whether the Administrative Agent or such Bookrunner has disclosed material information in their (or their Related Parties’) possession. Each Lender represents to the Administrative Agent and the Bookrunner that it has, independently and without reliance upon the Administrative Agent and the Bookrunner, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Bookrunner, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be

applicable to such Lender, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender agrees not to assert a claim in contravention of the foregoing. Each Lender represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

(h) Nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account.

(i) Anything herein to the contrary notwithstanding, the Bookrunner listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in their capacity, as applicable, as Administrative Agent or a Lender hereunder.

(j) In case of the pendency of any proceeding with respect to any Loan Party under any federal or state bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or other Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 8.02. Administrative Agent's Reliance, Indemnification. Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by it under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (as determined by a court of competent jurisdiction by a final and nonappealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

Section 8.03. Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Bookrunner and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96- 23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the

requirements of subsections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Bookrunner and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent or the Bookrunner or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent or the Bookrunner under this Agreement, any Loan Document or any documents related thereto).

(c) The Administrative Agent and the Bookrunner hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, arrangement fees, commitment fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

Section 8.04. Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender Recipient Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender Recipient Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of

payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender irrevocably waives any and all defenses, including any “discharge for value” (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender promptly upon determining that any payment made to such Lender comprised, in whole or in part, a Rescindable Amount.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or, to the extent provided in paragraph (b) below, facsimile or electronic mail, as follows:

if to the Borrower, to it at:

Keurig Dr Pepper Inc.
6425 Hall of Fame Lane
Frisco, TX 75034
Attention: Dan Morrell, Treasurer
E-mail: Dan.Morrell@kdrp.com

with a copy to:

Keurig Dr Pepper Inc.
6425 Hall of Fame Lane
Frisco, TX 75034
Attention: Anthony Shoemaker, Chief Legal Officer,
General Counsel & Secretary
E-mail: anthony.shoemaker@kdrp.com

and

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Duane McLaughlin
T : +1 212 225 2106
E-mail: dmclaughlin@cgsh.com

if to the Administrative Agent, to:

BANK OF AMERICA, N.A.
100 NORTH TRYON STREET
CHARLOTTE, NC 28255

if to any other Lender, to it at:

its address (or facsimile number or electronic mail address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article II by electronic communication. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR

OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower’s, any Loan Party’s or the Administrative Agent’s transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(d) NONE OF THE ADMINISTRATIVE AGENT, THE BOOKRUNNER, ANY OF THE LENDERS, OR ANY RELATED PARTY OF ANY OF THE FOREGOING PERSONS OR ANY OF THEIR OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, THE “AGENT PARTIES”) 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, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH SUCH PARTY EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN SUCH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS OR THEREBY, EXCEPT TO THE EXTENT ARISING FROM THE BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH PARTY, OR THE MATERIAL BREACH BY SUCH PARTY OF Section 9.12, IN EACH CASE IN THE USE OF SUCH SYSTEMS, AS DETERMINED BY A FINAL, NON-APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR CODE DEFECTS IS MADE BY THE AGENT PARTIES IN CONNECTION WITH SUCH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS.

Section 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise

thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Subject to Section 2.13 and Section 9.02(c) below, neither this Agreement nor any other Loan Document nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders (and acknowledged by the Administrative Agent) or by the Borrower and the Administrative Agent with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon (other than (x) interest accruing pursuant to Section 2.12(e) or a waiver thereof and (y) amendments to the definition of “Applicable Rate” pursuant to the last sentence thereof), or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon (other than interest accruing pursuant to Section 2.12(e) or a waiver thereof), or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (vi) release all or substantially all of the Guarantors (other than in accordance with Section 5.09 or Section 9.17) without the written consent of each Lender; *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

(c) Notwithstanding anything in this Agreement (including, without limitation, this Section 9.02(b)) or any other Loan Document to the contrary, (i) guarantees or supplements or joinders to the Guaranty executed by Subsidiaries in connection with this Agreement or any terminations or releases thereof pursuant to Section 5.09 or Section 9.17 may be in a form reasonably determined by the Administrative Agent and may be, together with any other Loan Document, entered into, amended, supplemented or waived (without the consent of any other Person) by the applicable Subsidiary or Subsidiaries, Loan Party or Loan Parties and the Administrative Agent in its sole discretion and (ii) this Agreement and the other Loan Documents may be amended as set forth in Section 2.13.

(d) Notwithstanding the foregoing, the Administrative Agent, with the prior written consent of the Borrower, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other error in any Loan Document and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof.

Section 9.03. Expenses; Indemnity; Damage Waiver. (a) To the extent the Closing Date occurs, the Borrower shall pay (i) all reasonable and documented out-of-pocket expenses (including due diligence expenses, syndication expenses, consultant's fees and expenses, travel expenses, but in the case of legal fees limited to reasonable fees, charges and disbursements of one counsel and if reasonably required by the Administrative Agent, local counsel or specialist counsel, and, if there is an actual or perceived conflict of interest that requires separate representation for the Bookrunner or any Lender, one additional counsel for each Person subject to such conflict of interest (in each case except allocated costs of in-house counsel)) incurred by the Bookrunner, the Administrative Agent, and their respective Affiliates, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) [reserved] and (iii) all reasonable and documented out-of-pocket expenses incurred by any Agent, the Bookrunner or any Lender, including the fees, charges and disbursements of one counsel for the Administrative Agent, the Bookrunner or any Lender in connection with the enforcement or protection of their rights (A) in connection with this Agreement, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent, the Bookrunner and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of one counsel for any Indemnitee and if reasonably required by the Administrative Agent, local counsel or specialist counsel, and, if there is an actual or perceived conflict of interest that requires separate representation for any Indemnitee, one additional counsel for each Person subject to such conflict of interest (in each case except allocated costs of in-house counsel), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability arising from any activities or operations of, or ownership of any property by, the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and

regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to (A) the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to arise from the bad faith, gross negligence or willful misconduct of such Indemnitee or the material breach by such Indemnitee of the express terms of this Agreement, (B) to the extent that such losses, claims, damages, liabilities or related expenses arise out of, or in connection with, any proceeding that does not involve an act or omission by the Borrower or any of its Affiliates and that is brought by an Indemnitee against any other Indemnitee (other than in its capacity as an agent, arranger or bookrunner with respect to the credit facility evidenced hereby), or (C) to the extent of any settlement of any proceeding if the amount of such settlement was effected without the Borrower's consent (which consent shall not be unreasonably withheld), but if settled with the Borrower's written consent or if there is a final judgment for the plaintiff in any such proceeding, the Borrower agrees to indemnify and hold harmless each Indemnitee from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with this Section 9.03(b). To the extent that the undertakings to defend, indemnify, pay and hold harmless as set forth in this Section 9.03(b) may be unenforceable in whole or in part because they are violative of any law or public policy, the Borrower shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all such losses, claims, damages, liabilities and related expenses incurred by the Indemnitees or any of them. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or the Bookrunner under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent or the Bookrunner, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that (i) the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Bookrunner in its capacity as such and (ii) no such payment shall release any of the Borrower's indemnity or reimbursement obligations under the Loan Documents.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, and each Indemnitee shall not assert, and hereby waives, any claim against the Borrower, in each case on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof; *provided* that nothing contained in this paragraph shall limit the Borrower's obligations set forth in this Section 9.03.

Section 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any

of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (other than (i) the Borrower and its Subsidiaries and (ii) natural persons and investment vehicles of natural persons) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of:

(A) the Borrower, provided that, solely with respect to any Closing Date Delayed Draw Loans or Second Delayed Draw Loans after the funding thereof, the Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to the Administrative Agent within ten Business Days after having received a written request for its consent to such proposed assignment; *provided, further*, that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default under Article VII(a), (b), (h), or (i) has occurred and is continuing, any other assignee; and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of any Commitment to an assignee that is a Lender with a Commitment immediately prior to giving effect to such assignment, an Affiliate of a Lender or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default under Article VII(a), (b), (h), or (i) has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this

Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of Commitments or Loans or to prohibit assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and any of its Subsidiaries, and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal and state securities laws.

For the purposes of this Section 9.04(b), the term "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 9.03 to the extent that any claim thereunder relates to an event arising prior to such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices in the United States a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and any interest thereon owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in

the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Sections 2.06(b), 2.17(d), or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") (other than (i) the Borrower and its Subsidiaries and (ii) natural persons and investment vehicles of natural persons) in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(e), it being understood that the documentation required under Section 2.16(e) shall be delivered to the participating Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; *provided* that such Participant agrees to be subject to the provisions of Sections 2.17 and 2.18 as if it were an assignee under paragraph (b) of this Section. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.18(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless (x) the sale of the participation to such Participant is made with the Borrower's prior written consent or (y) such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.16(e) as though it were a Lender and in any event shall not be entitled to any greater payment than the applicable Lender that sold such participation to such Participant would have been entitled to receive. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.l03-l(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, central bank or similar institution and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of

Sections 2.14, 2.15, 2.16 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement of any provision hereof.

Section 9.06. Counterparts; Integration; Effectiveness. This Agreement, any Loan Document and any other Communication, including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Loan Parties and each of the Administrative Agent and the Lenders agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Lender Parties may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“Electronic Copy”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Person pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party and/or any Lender without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, “Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent’s reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any Communication (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution or signed using an

Electronic Signature) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Each of the Loan Parties and each Lender hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement, such other Loan Document, and (ii) waives any claim against the Administrative Agent, each Lender and each Related Party for any liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Loan Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Each of the parties represents and warrants to the other parties that it has the corporate capacity and authority to execute this Agreement and any other Communication through electronic means and there are no restrictions on doing so in that party's constitutive documents.

Section 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all Obligations held by such Lender to the extent then due and owing, irrespective of whether or not such Lender shall have made any demand under this Agreement. Each Lender agrees to notify the Borrower promptly of its exercise of any rights under this Section, but the failure to provide such notice shall not otherwise limit its rights under this Section or result in any liability to such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

Section 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement and any claim or controversy arising hereunder or related hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New

York State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process at the address provided for in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12. Confidentiality. (a) Each of the Administrative Agent, the Bookrunner and the Lenders (each, a “Disclosing Party”) agrees to maintain the confidentiality of the Information (as defined below) in accordance with such Person’s customary procedures for handling confidential information of such nature, except that Information may be disclosed (i) to Related Parties of such Disclosing Party, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) upon the request or demand of any regulatory authority having jurisdiction over such Disclosing Party or its Affiliates (in which case such Disclosing Party shall, except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority (x) promptly notify the Borrower, in advance, to the extent permitted by law and (y) so furnish only that portion of such information which the

applicable Disclosing Party is legally required to disclose), (iii) in any legal, judicial, administrative proceeding or other compulsory process or as required by applicable law or regulations (in which case such Disclosing Party shall except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority (x) promptly notify the Borrower, in advance, to the extent permitted by law and (y) so furnish only that portion of such information which the applicable Disclosing Party is legally required to disclose), (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions no less restrictive than those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) with the consent of the Borrower, (viii) to any credit insurer or reinsurer (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, (ix) on a confidential basis to any rating agency in connection with rating the Borrower or any of its Subsidiaries or the Loans hereunder, (x) to the CUSIP bureau, solely to the extent such confidential information is necessary to obtain CUSIP numbers and in consultation with the Borrower or (xi) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to any Disclosing Party on a non-confidential basis from a source other than the Borrower or any of its Related Parties not known by such Disclosing Party to be disclosed by such source in breach of any legal or contractual obligation to the Borrower or any of its Related Parties). In addition, each Disclosing Party 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 in connection with the administration and management of this Agreement and the other Loan Documents; *provided that*, no such Disclosing Party shall disclose the identity of the Borrower. For the purposes of this Section, “Information” means all information that is made available to any Disclosing Party by or on behalf of the Borrower or any of its Related Parties in connection with this Agreement and the transactions contemplated hereby, other than any such information that is available to such Disclosing Party on a non-confidential basis prior to disclosure by the Borrower or any of its Related Parties, excluding any information which, to such Disclosing Party’s actual knowledge, has been disclosed by the source of such information in violation of a duty of confidentiality to the Borrower or any of its Affiliates. 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. For the avoidance of doubt, nothing herein prohibits any individual from communicating or disclosing information regarding suspected violations of laws, rules, or regulations to a governmental, regulatory, or self-regulatory authority without any notification to any person.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE

BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NONPUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON- PUBLIC INFORMATION ABOUT THE BORROWER AND ITS SUBSIDIARIES, AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment, shall have been received by such Lender.

Section 9.14. PATRIOT Act. Each Lender subject to the PATRIOT Act and the Beneficial Ownership Regulation hereby notifies the Borrower and each Guarantor that, pursuant to Section 326 of the PATRIOT Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower and each Guarantor, including the name and address of the Borrower and each Guarantor and other information that will allow such Lender to identify the Borrower and each Guarantor in accordance with the PATRIOT Act and the Beneficial Ownership Regulation.

Section 9.15. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan

Document, 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 entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 9.16. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Bookrunner are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent and the Bookrunner, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent, the Bookrunner and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person, (B) irrespective of whether any Lender, the Bookrunner, the Administrative Agent or any of their Affiliates has advised or is advising the Borrower on other matters, the Borrower shall not claim any such fiduciary, advisory or agency relationship or services and the Borrower acknowledges that none of the Administrative Agent, any Lender, the Bookrunner or any of their Affiliates owes a fiduciary or similar duty to the Borrower in connection with the Transactions or the process leading thereto and; and (iii) the Administrative Agent, the Lenders and the Bookrunner and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Bookrunner nor any Lender has any obligation to disclose any of such interests to the Borrower or its Affiliates.

Section 9.17. Release of Guarantors. Notwithstanding anything to the contrary contained herein or in any other Loan Document:

(a) A Guarantor shall automatically be released and discharged in full from its obligations under the Guaranty upon the consummation of any transaction permitted by this Agreement as a result of which such Guarantor ceases to be a Subsidiary; *provided* that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Borrower, release any Guarantor from its obligations under the Guaranty if, as of the time such Guarantor is released and immediately after giving effect thereto, the Guaranty of such Guarantor is not required by Section 5.09.

(c) At such time as the principal and interest with respect to all Loans and all other monetary payment Obligations which are then due and payable (other than contingent indemnification obligations and other Obligations expressly stated to survive such payment and termination) have been paid in full and all Commitments have terminated or expired (such time, the "Facility Termination"), the Guaranty and all obligations (other than those expressly stated to survive such termination) of each Guarantor thereunder shall automatically terminate and be released and discharged in full, all without delivery of any instrument or performance of any act by any Person. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if within 180 days after such release (or such longer period under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect during which any payment in respect of the Obligations guaranteed thereby can be annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid) any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made; *provided, however*, that any such reinstated guarantee shall be released immediately upon the Obligations being indefeasibly paid in full.

Section 9.18. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support") and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit

Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

Section 9.19. Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the applicable Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the “Agreement Currency”), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, each Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender agrees to return the amount of any excess to the applicable Loan Party (or to any other Person who may be entitled thereto under applicable law).

[SIGNATURE PAGES FOLLOW]

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

KEURIG DR PEPPER INC., as Borrower

By: /s/ Dan Morrell

Name: Dan Morrell

Title: Vice President & Treasurer

[Signature Page to Credit Agreement]

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

By: /s/ Ryan Van Stedum

Name: Ryan Van Stedum

Title: Vice President

[Signature Page to Credit Agreement]

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

By: /s/ Ryan Van Stedum

Name: Ryan Van Stedum

Title: Vice President

[Signature Page to Credit Agreement]

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. THE OMITTED PORTIONS OF THIS DOCUMENT ARE INDICATED BY [*].**

AMENDED AND RESTATED

CONTRIBUTION AND MERGER AGREEMENT

by and among

GHOST LIFESTYLE LLC,

THE AMERICAN BOTTLING COMPANY,

PHANTOM MERGER SUB I LLC,

[*]**

(as the Sellers' Representative),

and the SELLERS PARTY HERETO

December 31, 2024

TABLE OF CONTENTS

	<u>Page</u>
	22
ARTICLE II CONTRIBUTIONS AND EXCHANGES; GHOST LIFESTYLE MERGER	
Section 2.01 Contributions and Exchanges; Ghost Lifestyle Merger	20
Section 2.02 The Closing	22
Section 2.03 Closing Deliverables	22
Section 2.04 Letters of Transmittal	25
Section 2.05 Estimated Closing Statement; Closing Date Payment Schedule	26
Section 2.06 Post-Closing Adjustment	27
Section 2.07 Withholding Rights	29
ARTICLE III REPRESENTATIONS AND WARRANTIES REGARDING THE TARGET COMPANIES	
	30
Section 3.01 Organization	30
Section 3.02 Authorization of Transaction; Binding Effect	30
Section 3.03 Noncontravention	31
Section 3.04 Capitalization	31
Section 3.05 Subsidiaries	32
Section 3.06 Broker's Fees	32
Section 3.07 Financial Statements	33
Section 3.08 Absence of Changes	34
Section 3.09 Legal Compliance; Permits	36
Section 3.10 Real Property	38
Section 3.11 Tax Matters	40
Section 3.12 Intellectual Property	42
Section 3.13 Contracts and Commitments	44
Section 3.14 Insurance	46
Section 3.15 Litigation	46
Section 3.16 Assets	46
Section 3.17 Labor Matters	47
Section 3.18 Employee Benefits	48
Section 3.19 Environmental Matters	49
Section 3.20 Affiliate Transactions	50
Section 3.21 No Undisclosed Liabilities	51
Section 3.22 Customers and Suppliers	51
Section 3.23 Product Liability; Product Warranty	51
Section 3.24 Inventory	52
Section 3.25 Privacy and Data Security	52
Section 3.26 No Other Representations	53

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER AND GHOST LIFESTYLE MERGER SUB	53
Section 4.01 Organization of Buyer and Ghost Lifestyle Merger Sub	53
Section 4.02 Authorization of Transaction; Binding Effect	54
Section 4.03 Noncontravention	54
Section 4.04 Broker's Fees	54
Section 4.05 Sufficiency of Funds	55
Section 4.06 Litigation	55
Section 4.07 Investment Intent; Restricted Securities	55
Section 4.08 Inspection; No Other Representations	55
Section 4.09 No Other Representations	55
ARTICLE V PRE-CLOSING COVENANTS	56
Section 5.01 Operation of Business	56
Section 5.02 Notices and Consents	56
Section 5.03 Access	58
Section 5.04 Contact with Customers, Suppliers and Employees	58
Section 5.05 No Solicitation of Transactions	58
Section 5.06 Payoff Letters; Termination of Security Interests	59
ARTICLE VI ADDITIONAL AGREEMENTS	60
Section 6.01 General Efforts; Further Assurances	60
Section 6.02 Press Releases	60
Section 6.03 Confidentiality	61
Section 6.04 Employee Matters	61
Section 6.05 Provision Respecting Representation of the Sellers	62
Section 6.06 Directors' and Officers' Indemnification	62
Section 6.07 Post-Closing Record Retention and Access	63
Section 6.08 Tax Matters	63
Section 6.09 RWI Insurance Policy	68
Section 6.10 Master Distribution Agreement Termination Payment	68
Section 6.11 Pre-Closing Reorganization	68
Section 6.12 Terminated Agreements; Related Party Arrangements	69
Section 6.13 Resignations	69
Section 6.14 Financial Statements	69
Section 6.15 Universal Product Codes	69
Section 6.16 Cybersecurity Matters	69
Section 6.17 [***]	70
ARTICLE VII CLOSING CONDITIONS	70
Section 7.01 Conditions to Obligations of the Parties	70
Section 7.02 Conditions to Obligations of Buyer and Ghost Lifestyle Merger Sub	70
Section 7.03 Conditions to Obligations of the Target Companies and the Sellers	71

ARTICLE VIII TERMINATION; EFFECT OF TERMINATION	72
Section 8.01 Termination	72
Section 8.02 Effect of Termination	73
Section 8.03 Termination Fee	73
ARTICLE IX INDEMNIFICATION	74
Section 9.01 Survival	74
Section 9.02 Indemnification by the Sellers	74
Section 9.03 Indemnification Procedures	75
Section 9.04 Limits on Indemnification	77
Section 9.05 Recovery; Release of Indemnity Escrow Amount	77
Section 9.06 Effect of Investigation	78
Section 9.07 Exclusive Remedies	78
Section 9.08 Third Party Beneficiaries	78
ARTICLE X MISCELLANEOUS	78
Section 10.01 Sellers' Representative	78
Section 10.02 No Third Party Beneficiaries	80
Section 10.03 Equitable Remedies	81
Section 10.04 Entire Agreement	81
Section 10.05 Successors and Assigns	81
Section 10.06 Counterparts	81
Section 10.07 Headings	81
Section 10.08 Notices	81
Section 10.09 Governing Law	83
Section 10.10 Consent to Jurisdiction; Waiver of Jury Trial	83
Section 10.11 Amendments	83
Section 10.12 Waivers	83
Section 10.13 Incorporation of Exhibits, Annexes and Schedules	84
Section 10.14 Construction	84
Section 10.15 Severability	84
Section 10.16 Interpretation	84
Section 10.17 Disclosure Schedules	84
Section 10.18 Costs and Expenses	84

EXHIBITS

Exhibit A – Form of Joinder
Exhibit B – Form of Ghost Beverages Merger Agreement
Exhibit C – Post-Closing Ghost Lifestyle Cap Table
Exhibit D – Ghost Lifestyle Second Amended and Restated LLC Agreement
Exhibit E – Escrow Agreement
Exhibit F – Sample Closing Statement
Exhibit G – Certificate of Merger
Exhibit H – Form of Letter of Transmittal
Exhibit I – Form of Resignation and Release Letter

SCHEDULES

Disclosure Schedules

[***]

ANNEXES

ANNEX A – Pre-Closing Reorganization

AMENDED AND RESTATED CONTRIBUTION AND MERGER AGREEMENT

This Amended and Restated Contribution and Merger Agreement (this “Agreement”) is entered into as of December 31, 2024, by and among (a) Ghost Lifestyle LLC, a Delaware limited liability company (“Ghost Lifestyle”), (b) The American Bottling Company, a Delaware corporation (“Buyer”), (c) Phantom Merger Sub I LLC, a Delaware limited liability company and wholly owned Subsidiary of Buyer (“Ghost Lifestyle Merger Sub”), (d) the Sellers’ Representative (as defined below), (e) each Seller who executes and delivers to the other Parties a Joinder to this Agreement (on or following the date hereof) in the form attached hereto as Exhibit A (each, a “Joinder”), (f) each LGND Sports Seller who executes and delivers to the other Parties a Joinder (on or following the date hereof) (each such LGND Sports Seller, together with each such Seller in the foregoing clause (e), each a “Seller Party” and collectively, the “Seller Parties”). Ghost Lifestyle, Buyer, Ghost Lifestyle Merger Sub, the Sellers’ Representative, and each Seller Party are sometimes collectively referred to herein as the “Parties” and each individually as a “Party.”

WHEREAS, the Parties entered into that certain Contribution and Merger Agreement, dated as of October 23, 2024 (the “Original CMA”);

WHEREAS, pursuant to Section 10.11 of the Original CMA, the Parties desire to enter into this Agreement to amend and restate the Original CMA in its entirety;

WHEREAS, prior to the Closing, Buyer will acquire equity interests in Ghost Beverages, LLC, a Delaware limited liability company (“Ghost Beverages”), an indirect majority owned subsidiary of Ghost Lifestyle, via merger (the “Ghost Beverages Merger”) pursuant to that certain Amended and Restated Merger Agreement by and among Ghost Beverages, Buyer, Phantom Merger Sub II LLC, and the Sellers’ Representative, as seller representative thereunder (the “Ghost Beverages Merger Agreement”) dated as of the date hereof and in substantially the form attached hereto as Exhibit B;

WHEREAS, prior to the Closing and after giving effect to the transactions contemplated by the Ghost Beverages Merger Agreement, in accordance with the Pre-Closing Reorganization, LGND Beverage shall distribute the Estimated Closing Cash Consideration (as defined in the Ghost Beverages Merger Agreement) received by LGND Beverage (and a right to receive any proceeds released to LGND Beverage from the Adjustment Escrow Account or Sellers’ Holdback, in each case as defined in and pursuant to the Ghost Beverages Merger Agreement) to its members pro rata for further use and/or distribution (in the case of amounts received by Ghost Lifestyle) as provided in the Pre-Closing Reorganization (the “Ghost Beverages Merger Consideration Distribution”);

WHEREAS, prior to the Closing and after giving effect to the Ghost Beverages Merger Consideration Distribution and in accordance with the steps in the Pre-Closing Reorganization, Ghost Lifestyle will distribute 100% of the equity interests in LGND Beverage, LLC, a Delaware limited liability company (“LGND Beverage”) to its members pro rata (the “LGND Beverage Distribution”);

WHEREAS, prior to the Closing and after giving effect to the LGND Beverage Distribution, the LGND Sports Sellers will contribute and exchange their equity interests in LGND Sports for Class B-1 Units in Ghost Lifestyle (the “LGND Sports Contribution and Exchange”);

WHEREAS, prior to the Closing and after giving effect to the LGND Sports Contribution and Exchange, Buyer will contribute all of its equity interests of Ghost Beverages, in exchange for Class A Units in Ghost Lifestyle (the “Buyer Contribution and Exchange”);

WHEREAS, contemporaneously with the Buyer Contribution and Exchange, LGND Beverage will contribute all of its equity interests of Ghost Beverages, in exchange for Class B-1 Units in Ghost Lifestyle (which will then be distributed to the members of LGND Beverage prior to the Closing) such that after giving effect to such contribution and exchange (the “LGND Beverage Contribution and Exchange”), the LGND Sports Contribution and Exchange, and the Buyer Contribution and Exchange, the following entities will be direct or indirect wholly owned Subsidiaries of Ghost Lifestyle: Ghost Beverages, LGND Sports, Ghost L.L.C., a Nevada limited liability company (“Ghost L.L.C.”), Ghost 3P LLC, a Nevada limited liability company (“Ghost 3P”), and Ghost Beverages 3P LLC, a Delaware limited liability company (“Ghost Beverages 3P”) (the foregoing, together with Ghost Lifestyle, Ghost Beverages, LGND Beverage, and any other Subsidiary of Ghost Lifestyle, collectively, the “Target Companies” and each, a “Target Company”);

WHEREAS, after the LGND Sports Contribution and Exchange, the Buyer Contribution and Exchange, and the LGND Beverage Contribution and Exchange, upon the terms and subject to the conditions set forth herein, Ghost Lifestyle Merger Sub shall be merged with and into Ghost Lifestyle (the “Ghost Lifestyle Merger”), with Ghost Lifestyle as the surviving company in the Ghost Lifestyle Merger;

WHEREAS, immediately after the Closing and after giving effect to the Buyer Contribution and Exchange, the LGND Beverage Contribution and Exchange, the LGND Sports Contribution and Exchange, the Ghost Lifestyle Merger and the other transactions contemplated hereby, (a) the capitalization of Ghost Lifestyle will be as set forth on Exhibit C with (i) Buyer holding 60% of the issued and outstanding equity interests of Ghost Lifestyle in the form of Class A Units (directly), and (ii) Sellers (as more specifically set forth on Exhibit C) in the aggregate holding 40% of the issued and outstanding equity interests of Ghost Lifestyle in the form of Class B-1 Units (to the extent such Seller held equity in Ghost Lifestyle that was not a profits interest immediately prior to Closing) and Class B-2 Units (to the extent such Seller held equity in Ghost Lifestyle that was a profits interest immediately prior to Closing) and (b) Ghost Lifestyle and the members of Ghost Lifestyle as of the Closing will adopt the Second Amended and Restated Limited Liability Company Agreement of Ghost Lifestyle in substantially the form attached hereto as Exhibit D (the “Ghost Lifestyle Second Amended and Restated LLC Agreement”);

WHEREAS, concurrently with the execution and delivery of the Original CMA, the Key Employees entered into the Key Employment Arrangements, to be effective upon the Closing;

WHEREAS, concurrently with the execution and delivery of the Original CMA, certain Sellers entered into the Restrictive Covenant Agreements, to be effective upon the Closing;

WHEREAS, concurrently with the execution and delivery of the Original CMA, Buyer obtained an executed binder in respect of the RWI Insurance Policy;

WHEREAS, the board of managers of Ghost Lifestyle has (a) approved and declared advisable this Agreement and the Transactions and (b) determined that the terms of this Agreement and the Transactions are fair to and in the best interests of Ghost Lifestyle and Sellers; and

WHEREAS, the board of managers of Ghost Lifestyle Merger Sub has (a) approved and declared advisable this Agreement and the Transactions and (b) determined that the terms of this Agreement and the Transactions are fair to and in the best interests of Ghost Lifestyle Merger Sub and its sole member.

NOW, THEREFORE, in consideration of the premises, mutual covenants, representations, warranties and agreements contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

[***]

[***]

[***]

[***]

“Accounting Firm” has the meaning set forth in Section 2.06(b).

“Accounting Principles” means the accounting practices, procedures, policies and methods, classifications, conventions, categorizations, definitions, judgments, elections, assumptions, inclusions, exclusions, techniques and valuation and estimation methods as set forth on Schedule 1.1(a).

“Action” means any action, cause of action, claim, demand, suit, charge, complaint, arbitration, inquiry, proceeding, litigation, citation, notice of violation, summons, subpoena, investigation, enforcement notice, audit or government order of any nature, civil, criminal, administrative, regulatory or otherwise, whether at Law or in equity.

“Adjustment Amount” has the meaning set forth in Section 2.06(a).

“Adjustment Escrow Account” means the account maintained by the Escrow Agent into which the Adjustment Escrow Amount and any additional amounts are deposited.

“Adjustment Escrow Amount” means [***].

“Affiliate” means, with respect to any Person, any other Person controlling, controlled by or under common control with such particular Person. For the purposes of this definition, “controlling,” “controlled” and “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise.

“Agreement” has the meaning set forth in the preface above.

“Alternative Transaction” has the meaning set forth in Section 5.05.

“AMS” has the meaning set forth in Section 3.09(b).

“Ancillary Agreements” means such agreements and instruments as are necessary or desirable to effect the Transactions, in each case in form and substance reasonably acceptable to Buyer and Ghost Lifestyle Merger Sub, including: (a) the Ghost Lifestyle Second Amended and Restated LLC Agreement, the Ghost Beverages Merger Agreement, the Key Employment Arrangements, the Restrictive Covenant Agreements, the Escrow Agreement, the Paying Agent Agreement and the Joinders; and (b) such other instruments of sale, conveyance, assignment or transfer as Buyer shall reasonably request.

“Anticorruption Laws” has the meaning set forth in Section 3.09(e).

“Antitrust Law” means any antitrust, competition, merger control or trade regulatory Law, including the Sherman Antitrust Act of 1890, as amended, the Clayton Antitrust Act of 1914, as amended, the HSR Act, and the Federal Trade Commission Act.

“Assets” has the meaning set forth in Section 3.16(a).

“Audited Financial Statements” has the meaning set forth in Section 3.07(a).

“Business Day” means a day other than Saturday, Sunday or any other day on which commercial banks located in the State of Illinois or the State of Texas are authorized or obligated to close.

“Buyer” has the meaning set forth in the preface above.

“Buyer Closing Calculations” has the meaning set forth in Section 2.06(a).

“Buyer Closing Date Transaction” means any transaction engaged in by any Target Company on the Closing Date, which occurs after the Closing and at the direction of Buyer that is not contemplated by this Agreement and is outside the Ordinary Course of Business.

“Buyer Contribution and Exchange” has the meaning set forth in the recitals.

“Buyer Plans” has the meaning set forth in Section 6.04(b).

“CARES Act” means the CARES Act (Pub. L. 116-136 (2020)) and any similar applicable federal, state or local Law in response to COVID-19 pandemic and the associated economic downturn.

“Cash” means, [***].

“Certificate of Merger” has the meaning set forth in Section 2.01(c).

“Claim” has the meaning set forth in Section 9.03(a).

“Claim Notice” has the meaning set forth in Section 9.03(a).

“Claimed Amount” has the meaning set forth in Section 9.03(d).

“Closing” has the meaning set forth in Section 2.02.

“Closing Date” has the meaning set forth in Section 2.02.

“Closing Date Payment” has the meaning set forth in Section 2.03(a)(i).

“Closing Date Payment Schedule” has the meaning set forth in Section 2.05(b).

“Closing Cash” means [***].

“Closing Consideration” means an amount equal to (a) Ghost Lifestyle Buyer Purchased Enterprise Value, *plus* (b) 60% *multiplied by* (i) Closing Cash, *minus* (ii) Closing Indebtedness, *plus* (iii) the amount, if any, by which Closing Working Capital is greater than the Working Capital Target, *minus* (iv) the amount, if any, by which Closing Working Capital is less than the Working Capital Target; *minus* (c) the Sellers’ Holdback; *minus* (d) the Adjustment Escrow Amount; *minus* (e) the Indemnity Escrow Amount; *minus* (f) Closing Transaction Expenses.

“Closing Indebtedness” means [***].

“Closing Transaction Expenses” means [***].

“Closing Working Capital” means [***].

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidentiality Agreement” means the Confidentiality Agreement, dated as of [***], by and between Buyer and Ghost Lifestyle, as the same may be amended from time to time.

“Continuation Period” has the meaning set forth in Section 6.04(a).

“Continuing Employee” has the meaning set forth in Section 6.04(a).

“Contract” means any legally binding written or oral contract, purchase order, indenture, note, bond, lease, deed, mortgage, license, concession, instrument, undertaking, commitment or other legally binding agreement or arrangement.

“Cybersecurity Assessment” has the meaning set forth in Section 6.16.

“D&O Claims” has the meaning set forth in Section 6.06(b).

“D&O Indemnitees” has the meaning set forth in Section 6.06(b).

“D&O Insurance” has the meaning set forth in Section 6.06(b).

“Direct Claim” has the meaning set forth in Section 9.03(a).

“Disclosure Schedules” has the meaning set forth in Section 10.17.

“Dispute Notice” has the meaning set forth in Section 2.06(b).

“DLLCA” has the meaning set forth in Section 2.01(b).

[***]

“Effective Time” has the meaning set forth in Section 2.01(c).

“Employee Benefit Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA), whether or not subject to ERISA, (ii) any “welfare plan” (as such term is defined in Section 3(1) of ERISA), whether or not subject to ERISA, (iii) any other equity bonus, equity purchase, equity unit, restricted equity, phantom interest, equity appreciation right, profits interest, equity option or other equity or equity-based compensation and (iv) any other employment, individual engagement, individual consulting, individual independent contractor, compensation, deferred compensation, profit-sharing, defined contribution, pension, retirement, supplemental retirement, post-employment or post-retirement health or welfare, health, welfare, dental, vision, commission, employee benefit, bonus, incentive compensation (other than regular salary and wages), severance, change of control, retention, cafeteria, expense reimbursement, employee loan, tax gross-up, tuition, vacation, paid time off, life insurance, disability, fringe benefit or other similar and any other compensation or employee benefit plan, program, policy, practice, arrangement, contract, fund, or commitment that is sponsored, maintained or contributed to (or obligated to be contributed to) by any Target Company for the benefit of its or their employees or service providers, or to which any Target Company is a party or has or would reasonably be expected to have any liability. For the avoidance of doubt, Employee Benefit Plan shall include a PEO Plan.

“Environmental Requirements” means all applicable Laws concerning pollution, or protection of the environment and human health and safety (as it relates to exposure to Hazardous Materials), including all those relating to the use, generation, handling, labelling, transportation, treatment, storage, disposal, discharge, registration, release, or cleanup of, or exposure to any Hazardous Materials.

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

“ERISA Affiliate” means any trade or business, whether or not incorporated, that, together with any Target Company, is or would have been at any date of determination occurring within the preceding six (6) years, treated as a “single employer” within the meaning of Section 414(b), (c), (m) or (o) of the Code.

“Equityholder Claim” has the meaning set forth in Section 9.02(c).

“Escrow Agent” means JPMorgan Chase Bank, N.A., or any other Person mutually agreed upon by Buyer and the Sellers’ Representative to serve as escrow agent pursuant to the terms of the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement to be dated as of the Closing Date by and among Buyer, the Sellers’ Representative and the Escrow Agent, substantially in the form of Exhibit E attached hereto.

“Estimated Closing Cash” has the meaning set forth in Section 2.05(a).

“Estimated Closing Consideration” means an amount equal to (a) the Ghost Lifestyle Buyer Purchased Enterprise Value, *plus* (b) 60% *multiplied by* (i) the Estimated Closing Cash, *minus* (ii) the Estimated Closing Indebtedness, *plus* (iii) the amount, if any, by which the Estimated Closing Working Capital is greater than the Working Capital Target, *minus* (iv) the amount, if any, by which the Estimated Closing Working Capital is less than the Working Capital Target (such amount in clauses (a) and (b), the “Pre-Holdback Closing Cash”); *minus* (c) the Sellers’ Holdback; *minus* (d) the Adjustment Escrow Amount; *minus* (e) the Indemnity Escrow Amount; *minus* (f) the Estimated Closing Transaction Expenses.

“Estimated Closing Indebtedness” has the meaning set forth in Section 2.05(a).

“Estimated Closing Statement” has the meaning set forth in Section 2.05(a).

“Estimated Closing Transaction Expenses” has the meaning set forth in Section 2.05(a).

“Estimated Closing Working Capital” has the meaning set forth in Section 2.05(a).

“Estimated Equity Value” means (a) the Pre-Holdback Closing Cash *minus* (b) the Estimated Closing Transaction Expenses.

“Exchange Funds” has the meaning set forth in Section 2.03(a).

“Excluded Seller” has the meaning set forth in Section 6.04(e).

“FDA” shall mean the United States Food and Drug Administration and any successor entity.

“Final Escrow Release Date” has the meaning set forth in Section 9.05.

“Financial Statements” has the meaning set forth in Section 3.07(a).

“First Escrow Release Date” has the meaning set forth in Section 9.05.

“Flow-Through Tax Return” means any Tax Return filed by or with respect to any Target Company if such entity is treated as a partnership, disregarded entity, or other “flow-through entity” for purposes of such Tax Return.

“Food Regulatory Laws” has the meaning set forth in Section 3.09(b).

“Fraud” means knowing and intentional common law fraud (excluding, for the avoidance of doubt, constructive fraud, negligent fraud, negligent misrepresentation or equitable fraud) committed by a Person in connection with the making of a statement of fact by such Person in the representations and warranties set forth in ARTICLE III or ARTICLE IV herein or in any Joinder; provided however that for purposes of ARTICLE IX, any Fraud that would have been committed by a Seller Party if such Seller Party were to have made a representation and warranty hereunder, shall be deemed Fraud committed by Ghost Lifestyle and shall be subject to indemnification obligations of the Indemnifying Parties pursuant to ARTICLE IX.

“FSIS” has the meaning set forth in Section 3.09(b).

“FTC” has the meaning set forth in Section 3.09(b).

“Fundamental Representations” means the representations and warranties of: (a) Ghost Lifestyle set forth in Section 3.01 (Organization), Section 3.02 (Authorization of Transaction; Binding Effect), Section 3.04 (Capitalization), Section 3.05 (Subsidiaries), Section 3.06 (Broker’s Fees) and Section 3.08(a) (Absence of Changes), (b) each Seller Party set forth in Sections 3a, 3b, 3d, 3e and 3h of such Seller Party’s Joinder, and (c) Buyer and Ghost Lifestyle Merger Sub set forth in Section 4.01 (Organization of Buyer), Section 4.02 (Authorization of Transaction; Binding Effect) and Section 4.04 (Broker’s Fees).

“GAAP” means United States generally accepted accounting principles as in effect as of the relevant dates thereof.

“Ghost 3P” has the meaning set forth in the recitals.

“Ghost Beverages” has the meaning set forth in the recitals.

“Ghost Beverages 3P” has the meaning set forth in the recitals.

“Ghost Beverages LLC Agreement” means that certain Limited Liability Company Agreement of Ghost Beverages, dated as of May 13, 2020, as amended or modified from time to time.

“Ghost Beverages Merger” has the meaning set forth in the recitals.

“Ghost Beverages Merger Agreement” has the meaning set forth in the recitals.

“Ghost Lifestyle” has the meaning set forth in the preface above.

“Ghost Lifestyle Buyer Exchanged Equity” means the amount of Class A Units in Ghost Lifestyle necessary for Buyer to own the Ghost Lifestyle Buyer Exchanged Equity Percentage.

“Ghost Lifestyle Buyer Exchanged Equity Percentage” means the following fraction expressed as a percentage: (a) [***] divided by (b) the Ghost Lifestyle Enterprise Value.

“Ghost Lifestyle Buyer Purchased Enterprise Value” means (a) the Ghost Lifestyle Buyer Purchased Equity Percentage multiplied by (b) the Ghost Lifestyle Enterprise Value.

“Ghost Lifestyle Buyer Purchased Equity” means the amount of Class A Units in Ghost Lifestyle necessary for Buyer to own the Ghost Lifestyle Buyer Purchased Equity Percentage.

“Ghost Lifestyle Buyer Purchased Equity Percentage” means 60% minus the Ghost Lifestyle Buyer Exchanged Equity Percentage.

“Ghost Lifestyle Enterprise Value” means [***].

“Ghost Lifestyle Ghost Beverages Merger Consideration” has the meaning set forth in Section 2.05(b).

“Ghost Lifestyle LLC Agreement” means that certain First Amended and Restated Limited Liability Company Agreement of Ghost Lifestyle, dated as of July 13, 2022, as amended or modified from time to time.

“Ghost Lifestyle Merger” has the meaning set forth in the recitals.

“Ghost Lifestyle Merger Sub” has the meaning set forth in the preface above.

“Ghost Lifestyle Second Amended and Restated LLC Agreement” has the meaning set forth in the recitals.

“Ghost L.L.C.” has the meaning set forth in the recitals.

“Ghost Protein” means Ghost Protein, LLC, a Delaware limited liability company.

“Ghost Protein 3P” means Ghost Protein 3P LLC, a Delaware limited liability company.

“Ghost Related Parties” has the meaning set forth in Section 3.20.

“Governmental Authority” means any (a) federal, state, provincial, local, municipal, foreign, or other government; (b) governmental or quasi-governmental authority or self-regulated organization of any nature (including any governmental agency, branch, bureau, department, instrumentality, political subdivision, official, or entity and any arbitrator, court or other tribunal) or (c) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, in each case, of competent jurisdiction.

“Governmental Authorization” means any approval, consent, clearance, license, permit or registration issued or granted by, or otherwise obtained from, any Governmental Authority.

“Hazardous Materials” means any pollutant, chemical, contaminant, or any toxic or hazardous agent, substance or waste, including all substances or wastes for which liability or standards of care or a requirement for investigation or remediation are imposed under, or that are otherwise subject to regulation under Environmental Requirements, and including asbestos and asbestos-containing materials, petroleum (including crude oil or any fraction thereof), per- and polyfluoroalkyl substances, polychlorinated biphenyls and radioactive materials.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“HSR Clearance” means the expiration or early termination of the waiting period under the HSR Act and any commitments by the parties not to close before a certain date under a timing agreement entered into with the Federal Trade Commission or Department of Justice shall have expired or otherwise been terminated.

“Income Tax” means any Tax that is based on, or computed with respect to, income or earnings (and any franchise Tax or Tax on doing business imposed in lieu thereof), including any interest, penalty or addition thereto.

“Income Tax Return” means any Tax Return relating to Income Taxes.

“Indebtedness” means, [***].

“Indemnified Party” has the meaning set forth in Section 9.02.

“Indemnifying Party” has the meaning set forth in Section 9.02.

“Indemnity Escrow Account” means the account maintained by the Escrow Agent into which the Indemnity Escrow Amount and any additional amounts are deposited.

“Indemnity Escrow Amount” means [***].

“Indemnity Percentage Allocation” means, (i) in respect of indemnification claims made against the Indemnity Escrow Amount in accordance with ARTICLE IX, with respect to each Seller, the Seller Percentage Allocation set forth herein and (ii) in respect of all other indemnification claims made in accordance with ARTICLE IX, with respect to each Seller Party, the “*Indemnity Percentage Allocation*” set forth opposite such Seller Party’s name in the Closing Date Payment Schedule; provided that such Indemnity Percentage Allocation shall be based on the pro rata amount of gross proceeds actually received, directly or indirectly, by each Seller in connection with the Transactions, including under this Agreement and the Ghost Beverages Merger Agreement, as compared to all Sellers (in the case of the foregoing clause (i)) or by each Seller Party as compared to all Seller Parties (in the case of the foregoing clause (ii)). For the avoidance of doubt, the aggregate Indemnity Percentage Allocations of all Seller Parties at all times shall total 100%.

“Instructions” has the meaning set forth in Section 2.04(a).

“Intellectual Property Rights” means all intellectual property rights and other similar proprietary rights as they exist anywhere in the world, whether registered or unregistered, including rights in an to any of the following: (a) utility patents, design patents, industrial designs and other patentable rights, including any divisions, continuations, continuations-in-part, provisionals, reissues, reexaminations, substitutions, renewals, and extensions thereof (“Patents”), (b) trademarks, trade names, service marks, trade dress, taglines, slogans, brand names, logos, corporate names, Internet domain names and other source or business identifiers, together with all of the goodwill associated therewith, and all applications, registrations, renewals and extensions thereof (“Trademarks”) (c) copyrights, published and unpublished works of authorship, all registrations, applications, renewals, extensions and reversions thereof and moral rights associated therewith (“Copyrights”) (d) trade secrets, know-how, concepts, formulas, recipes, ideas, research and development (including research and development data), inventions (whether or not patentable) and proprietary processes (including manufacturing and production processes), compositions, techniques, technical data, methods, designs, drawings, specifications, procedures and databases, and other proprietary or confidential information, including customer lists, supplier lists, pricing and cost information, and business and marketing plans and proposals (“Trade Secrets”) (e) Internet domain names and social media accounts and handles, and (f) rights in computer software, computer programs, and applications (including mobile applications), and computerized databases in any form, including all source code, object code and all documentation related thereto (“Software”).

“Intended Tax Treatment” has the meaning set forth in Section 6.08(h)(i).

“Interim Period” has the meaning set forth in Section 5.01(a).

“IRS” means the United States Internal Revenue Service.

“Item of Dispute” has the meaning set forth in Section 2.06(b).

“IT Assets” means all computers, Software, firmware, hardware (including computers, servers, databases, telecommunications equipment), middleware, workstations, routers, hubs, switches, data communications lines, networks, platforms and other information technology equipment or systems owned, leased, licensed, or used by the Target Companies in the ordinary conduct of the business of the Target Companies.

“Key Employees” means [***].

“Key Employment Arrangements” means the respective employment arrangements entered into as of the date of the Original CMA (with effect on the Closing), by and between the applicable Key Employee, on the one hand, and Buyer or its applicable Subsidiaries, on the other hand.

“Knowledge” means, the actual knowledge after reasonable due inquiry of direct reports of [***].

“Law” means all laws, statutes, regulations, rules, codes, orders, judgments, decrees, ordinances and other rules of law of the United States, any foreign country or any domestic or foreign state, province, county, city or other political subdivision of any Governmental Authority.

“LGND Beverage” has the meaning set forth in the recitals.

“LGND Beverage Contribution and Exchange” has the meaning set forth in the recitals.

“LGND Beverage Distribution” has the meaning set forth in the recitals.

“LGND Beverage Ghost Beverages Merger Consideration” has the meaning set forth in Section 2.05(b).

“LGND Sports” means LGND Sports LLC, a Delaware limited liability company.

“LGND Sports Contribution and Exchange” has the meaning set forth in the recitals.

“LGND Sports Seller” means each holder of equity interests in LGND Sports, other than Ghost Lifestyle.

“Lease” means any lease, sublease, license, concession or other agreement (written or oral), pursuant to which any Target Company holds any rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property.

“Leased Real Property” has the meaning set forth in Section 3.10(b).

“Liability” has the meaning set forth in Section 3.21.

“Lien” means any claim, community property interest, condition, conditional sale, option, mortgage, easement, encroachment, right of way, right of first refusal, pledge, lien (statutory or otherwise), encumbrance, charge or other security interest or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“Look-Back Date” means January 1, 2020.

“Mandatory Redemption” has the meaning set forth in the Ghost Lifestyle Second Amended and Restated LLC Agreement.

“Master Distribution Agreement” means [***].

“Material Adverse Effect” means a change, effect, event, circumstance, occurrence or state of facts (“Effect”) that is or would reasonably be expected to be material and adverse to (a) the business, assets, condition (financial or otherwise) or results of operations of the Target Companies, taken as a whole, or (b) the ability of Ghost Lifestyle or any Seller Party to perform its obligations under this Agreement or any Ancillary Agreement to which it is or will be a party; provided, however that solely with respect to the foregoing clause (a) no Effects to the extent

arising out of: (i) changes in general business or economic conditions after the date hereof affecting the industry or industries in which the Target Companies operate in, including the capital, credit or financial markets in general or the markets in which the Target Companies operate; (ii) the declaration by the United States of a national emergency or the occurrence of any other calamity or crisis after the date hereof; (iii) the identity of the Buyer as the acquirer of the Target Companies; (iv) any changes in Law or GAAP after the date hereof; (v) any acts of war (whether or not declared), armed hostilities, sabotage or terrorism occurring after the date of this Agreement or the continuation, escalation or worsening of any such acts of war, armed hostilities, sabotage or terrorism; (vi) any earthquakes, hurricanes, floods, pandemics or other natural disasters after the date hereof; or (vii) the failure by any Target Company to meet any projections, estimates or budgets for any period prior to, on or after the date of this Agreement (provided that the underlying cause of any such failure may be taken into consideration when determining whether a Material Adverse Effect has occurred); except that in the case of clauses (i)-(ii) and (iv)-(vi) to the extent that such Effect disproportionately and adversely effects the Target Companies relative to other companies operating in the industry in which the Target Companies conduct business.

“Material Contract” has the meaning set forth in Section 3.13(b).

“Material Permit” has the meaning set forth in Section 3.09.

“Measurement Time” means 11:59 p.m. Eastern time on the Business Day immediately prior to the Closing Date.

(a) [***]

(b) [***]

(c) [***]

(d) [***]

“Ordinary Course of Business” means the ordinary course of business of the Target Companies, consistent with past practice and custom.

“Original CMA” has the meaning set forth in the Recitals.

“Outside Date” has the meaning set forth in Section 10.01(e).

“Owned Intellectual Property Rights” means all Intellectual Property Rights, including Registered IP, owned or purported to be owned by any Target Company.

“Party” and “Parties” have the meanings set forth in the preface above.

“Paying Agent” means Computershare Trust Company, N.A. and Computershare Inc., or any other Person mutually agreed upon by Buyer and the Sellers’ Representative to serve as paying agent pursuant to the terms of the Paying Agent Agreement.

“Paying Agent Agreement” means the Paying Agent Agreement to be dated as of the Closing Date by and among Buyer, the Sellers’ Representative and the Paying Agent, which shall be mutually agreed upon by the Buyer and Sellers’ Representative in good faith promptly after the date hereof.

“Payoff Letters” has the meaning set forth in Section 5.06.

“PCI DSS” means the Payment Card Industry Data Security Standard, issued by the Payment Card Industry Security Standards Council, as may be revised from time to time.

“Pending Claim” means, as of any date of determination, (a) any Direct Claim that is asserted by any Indemnified Party pursuant to ARTICLE IX in accordance with this Agreement prior to such date of determination that has not been finally determined pursuant to ARTICLE IX and (b) any Third-Party Claim that is asserted by any Indemnified Party pursuant to ARTICLE IX in accordance with this Agreement prior to such date of determination that has not been finally determined pursuant to ARTICLE IX, which, for the avoidance of doubt, shall, in each case of the foregoing (a) and (b), include any Direct Claim or Third-Party Claim that is being disputed as a valid Claim that is subject to indemnification by the Indemnifying Party hereunder.

“PEO Plan” has the meaning set forth in Section 3.18(a).

“Per Diem Taxes” has the meaning set forth in Section 6.08(b).

“Permits” means any and all permits, rights, approvals, licenses, authorizations, legal status, orders, or contracts under any applicable Law or otherwise granted by any Governmental Authority.

“Permitted Liens” means (a) Liens for Taxes, assessments and other governmental levies, fees or charges (i) not yet due and payable or (ii) which the taxpayer is contesting in good faith by appropriate proceedings and, in the case of each of clauses (i) and (ii), sufficient funds are held in reserve on the Financial Statements in accordance with GAAP; (b) cashiers’, landlords’, mechanics’, materialmen’s, carriers’, workmen’s, repairmen’s, contractors’ and warehousemen’s Liens and similar statutory Liens incurred in the Ordinary Course of Business pursuant to applicable Law for amounts which are not yet due and payable and which are not, individually or in the aggregate, material to the Target Companies or which are being contested in good faith by appropriate proceedings and sufficient funds are held in reserve on the Financial Statements in accordance with GAAP; (c) zoning, building codes and other land use Laws regulating the use or occupancy of Leased Real Property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such Leased Real Property and which are not materially violated by and do not materially interfere with the current use or occupancy of such Leased Real Property or the operation of any of the Target Companies as of the date hereof; (d) leases, subleases or other occupancy agreements or service contracts to which a Person is a party; (e) easements, covenants, conditions, rights-of-way, restrictions and other similar charges and encumbrances of record that would be disclosed by any current title insurance commitment, none of which interfere materially with the ordinary conduct of the Target Companies or detract materially from the current use, occupancy, value or marketability of title of the assets subject thereto; (f) non-exclusive licenses of Intellectual Property Rights granted by any of the Target

Companies in the Ordinary Course of Business to manufacturers, distributors or other service providers for their provision of services to the Target Companies; and (g) other Liens arising in the Ordinary Course of Business and not incurred in connection with the incurrence of Indebtedness for amounts which are not delinquent and which would not, in the aggregate, be material to the Target Companies.

“Person” means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Authority.

“Personal Information” means (a) any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular Person or household, or (b) any other information that constitutes personal data, personally identifiable information, protected health information, personal information or similar defined term under any privacy policy of the Target Companies or under any applicable Law.

“Post-Closing Tax Period” means any Tax period that begins on or after the day that is immediately following the Closing Date.

“Pre-Closing Reorganization” means the series of transactions substantially in the form and in the order described on Annex A hereto.

“Pre-Closing Tax Liability Amount” means an amount, which shall not be less than \$0 in any jurisdiction, equal to any and all Liabilities for Income Taxes (a) of Ghost Lifestyle or any of its Subsidiaries, or for which any of them is liable in respect of the Pre-Closing Tax Period (or portion of any Straddle Period ending on the Closing Date), including for this purpose any Taxes with respect to any income received or accrued by a Target Company in any Pre-Closing Tax Period (or portion of any Straddle Period ending on the Closing Date) for which Buyer or any of its Affiliates (including the Target Companies after the Closing) is liable as a result of (1) an inclusion under Section 951 or 951A of the Code (or any similar provision of state or local law), determined on a “with and without” basis, or (2) any installment sale or open transaction disposition made prior to the Closing, any prepaid amount received prior to the Closing (except to the extent a liability corresponding to the income from such installment sale, open transaction disposition or prepaid amount is included as a liability in the calculation of Closing Cash, Closing Indebtedness, Closing Transaction Expenses or Closing Working Capital), any “closing agreement,” as described in Section 7121 of the Code (or any corresponding provision of Law) entered into prior to the Closing, a change in the method of accounting occurring prior to the Closing (including an adjustment under Section 481 of the Code), or any election pursuant to Section 965(h) of the Code, (b) to the extent any Target Company is liable as of the Closing in respect of the Pre-Closing Tax Period (or portion of any Straddle Period ending on the Closing Date) with respect to the Taxes of any member of an affiliated, consolidated, combined or unitary group of which any Target Company (or any predecessor thereof) is or was a member on or prior to the Closing, or (c) to the extent any Target Company is liable as of the Closing in respect of the Pre-Closing Tax Period (or portion of any Straddle Period ending on the Closing Date) of any other Person as a transferee or successor, by contract (other than customary indemnification provisions contained in commercial contracts entered into in the Ordinary Course of Business and not relating primarily to Taxes) or assumption prior to the Closing; provided that, such Liabilities shall be calculated in accordance with past practice (including

applicable jurisdictions, reporting positions, elections and accounting methods) of the Target Companies in preparing Tax Returns to the extent such past practices reflect positions that are at least “more likely than not” correct on the merits. The Pre-Closing Tax Liability Amount shall (i) be calculated in accordance with the Accounting Principles and applicable Tax Law, (ii) take into account net operating losses actually available to reduce income for a Pre-Closing Tax Period (or portion of any Straddle Period ending on the Closing Date), overpayments of Taxes carried forward as a credit against Income Taxes of a Pre-Closing Tax Period (or portion of any Straddle Period ending on the Closing Date) and payments of estimated Income Taxes for a Pre-Closing Tax Period (or portion of any Straddle Period ending on the Closing Date), (iii) exclude any deferred Tax liabilities or deferred Tax assets, (iv) follow the Intended Tax Treatment and the conventions set forth in Section 6.08(d), and (v) exclude any Taxes arising from a Buyer Closing Date Transaction.

“Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date.

“Previous Benefit Plans” has the meaning set forth in Section 6.04(c).

“Privacy Laws” means all applicable Laws worldwide regarding the privacy, security, protection or the collection, use, disclosure or other Processing of Personal Information, including the EU General Data Protection Regulation (EU) 2016/679 of the European Parliament as implemented by countries in the European Economic Area (the “GDPR”), the GDPR as it forms part of retained European Union Law in the United Kingdom (as defined in the European Union (Withdrawal) Act 2018), as amended from time to time, Canada’s Personal Information and Electronic Documents Act, the Australian Privacy Act 1988 (Cth), the California Consumer Privacy Act of 2018, (as amended by the California Privacy Rights Act of 2020), the Virginia Consumer Data Protection Act, the Colorado Privacy Act, Connecticut’s An Act Concerning Personal Data Privacy and Online Monitoring, the Oregon Consumer Privacy Act, the Texas Data Privacy and Security Act, the Illinois Biometric Information Privacy Act, the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, 42 U.S.C. §§ 1320d et seq. (“HIPAA”), as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act, also known as Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, and its implementing regulations, Section 5 of the Federal Trade Commission Act, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, the Children’s Online Privacy Protection Act (“COPPA”), state data breach notification Laws, state data security Laws, state social security number protection Laws, and any other Laws, binding guidelines, and industry standards (including PCI DSS) with which the Target Companies are required by Law or Contract to comply, in each case, concerning data protection, information security, data breach notification, social security number protection, outbound communications and/or electronic marketing (including e-mail marketing, telemarketing and text messaging).

“Privacy Policies” has the meaning set forth in Section 3.25(a).

“Privacy Requirements” has the meaning set forth in Section 3.25(a).

“Process”, “Processing” or “Processed” shall mean any operation or set of operations which is performed upon Personal Information, by any means, such as collection, recording,

organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction.

“Product” shall mean each of the products or offerings being developed or sold by the Target Companies prior to the Closing Date.

“Purchase Price Allocation Schedule” shall have the meaning set forth in Section 6.08(h)(ii).

“Redemption Price” means [***].

“Related Party Arrangement” has the meaning set forth in Section 3.20.

“Reference Balance Sheet Date” has the meaning set forth in Section 3.07.

“Registered IP” means issued Patents and registered Copyrights and Trademarks granted under the authority of any Governmental Authority and all applications for any of the foregoing and Internet domain names.

“Representative” means, with respect to any Person, such Person’s directors, officers, partners, members, equityholders, managers, trustees, estate, employees, independent contractors, agents, advisors, Affiliates or other representatives, including legal counsel, accountants and financial advisors.

“Restricted Cash” means [***].

“Restrictive Covenant Agreements” means the respective restrictive covenant agreements entered into as of the date of the Original CMA (with effect on the Closing), by and between the applicable Seller named therein, on the one hand, and Buyer or its applicable Subsidiaries, on the other hand.

“Review Period” has the meaning set forth in Section 2.06(b).

“RWI Insurance Policy” means the “buyer’s” representations and warranties insurance policy issued by the RWI Provider.

“RWI Provider” means the provider of the RWI Insurance Policy.

“Sample Closing Statement” means an illustrative sample calculation of (a) the Estimated Closing Consideration, (b) Working Capital, (c) Cash, (d) Indebtedness, and (e) Transaction Expenses, in each case as of June 30, 2024 and as set forth on Exhibit E, including the classification of asset and liability line items and general account ledgers. The Sample Closing Statement shall also include purely for illustrative purposes and the Parties’ reference (and without binding the parties to the Ghost Beverages Merger Agreement) the calculation of the Estimated Closing Consideration (as defined in the Ghost Beverages Merger Agreement). The Sample Closing Statement shall be calculated in accordance with the Accounting Principles.

“Sanctioned Country” means any country or territory with which dealings are prohibited by any country-wide or territory-wide Sanctions. Such countries or territories are currently as follows: Cuba; Iran; North Korea; Syria; the Crimea region of Ukraine; the so-called Donetsk People’s Republic and the so-called Luhansk People’s Republic of Ukraine; and the non-Ukrainian government controlled regions of Zaporizhzhia and Kherson of Ukraine.

“Sanctioned Person” means any Person with whom any transactions or dealings are restricted, prohibited, or sanctionable under any Sanctions, including as a result of: (a) being named on any list of Persons subject to Sanctions, (b) being located, organized, or resident in, or directly or indirectly owned or controlled by the government of, any Sanctioned Country, or (c) any direct or indirect relationship of ownership, control, or agency with, or any direct or indirect commercial dealings with, a Person described in (a) or (b).

“Sanctions” means all national and supranational laws, regulations, decrees, orders, or other acts with the force of Law of the United States, the United Kingdom, or the European Union, or United Nations Security Council resolutions, concerning trade, economic sanctions, and export controls, including embargoes; the freezing or blocking of assets of targeted Persons; or other restrictions on exports, imports, investment, payments, or other transactions targeted at particular Persons or countries, including any Laws threatening to impose such trade and economic sanctions on any Person for engaging in proscribed or targeted behavior.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Seller” means each holder of equity interests in Ghost Lifestyle, including each Seller Party.

“Seller Party” has the meaning set forth in the preface above.

“Seller Percentage Allocation” means, with respect to each Seller, the “*Seller Percentage Allocation*” set forth opposite such Seller’s name in the Closing Date Payment Schedule. For the avoidance of doubt, (a) the aggregate Seller Percentage Allocations of all Sellers at all times shall total 100% and (b) Buyer shall have no responsibility or liability in connection with the determination of any Seller’s Seller Percentage Allocation.

“Sellers’ Holdback” shall have the meaning set forth in Section 10.01(e).

“Sellers’ Representative” means [***].

“Straddle Period” has the meaning set forth in Section 6.08(b).

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a partnership, limited liability

company, association or other business entity, a majority of the partnership, membership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

“Surviving Company” has the meaning set forth in Section 2.01(d).

“Target Companies” and “Target Company” has the meaning set forth in the preface above.

“Target Company Organizational Documents” has the meaning set forth in Section 3.02(a).

“Tax” and “Taxes” means any taxes, charges, fees, levies or other similar assessments imposed by a Governmental Authority (including income, receipts, ad valorem, value added, excise, real or personal property, sales, occupation, service, stamp, transfer, registration, natural resources, severance, premium, windfall or excess profits, environmental, customs, duties, use, licensing, withholding, employment, social security, unemployment, disability, payroll, share, capital, surplus, alternative, minimum, add-on minimum, any “imputed underpayment amount” within the meaning of Section 6225 of the Code, estimated, franchise or any other similar taxes, charges, fees, levies or other similar assessments imposed by a Governmental Authority), whether computed on a separate, consolidated, unitary or combined basis or in any other manner, and includes any interest, fines, penalties, assessments, deficiencies or additions thereto.

“Tax Return” means any return, declaration, report, claim for refund or information return or statement filed or required to be filed with any taxing authority and relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Tendering Seller” has the meaning set forth in Section 2.04(a).

“Termination Fee” has the meaning set forth in Section 8.03(a).

“Third-Party Claim” has the meaning set forth in Section 9.03(a).

“Third-Party Consent” means in respect of a Contract, Lease or Permit, any consents, waivers or approvals required from, or notices required to, the relevant third-party counterparty or Governmental Authority, as applicable, that are required or necessary to be given, obtained or effected in order to consummate and give effect to the Transactions.

“Transaction Deductions” means, without duplication, any deduction permitted for Income Tax purposes attributable to (a) Transaction Expenses paid by any Target Company on or prior to the Closing Date or included in the computation of the Indebtedness or Working Capital; or (b) any capitalized financing costs, fees, expenses, and interest (including amounts treated as interest for Income Tax purposes) that were included in the computation of the Indebtedness or Working Capital.

“Transaction Expenses” means, [***].

“Transactions” means the Ghost Lifestyle Merger and the other transactions contemplated hereby.

“Transfer Taxes” has the meaning set forth in Section 6.08(c).

“Unaudited Financial Statements” has the meaning set forth in Section 3.07.

“Universal Product Codes” has the meaning set forth in Section 3.24(b).

“USDA” has the meaning set forth in Section 3.09(b).

“Waived 280G Benefits” has the meaning set forth in Section 6.04(f).

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, as amended.

“Working Capital” means, [***].

“Working Capital Target” means [***].

ARTICLE II

CONTRIBUTIONS AND EXCHANGES; GHOST LIFESTYLE MERGER

Section 2.01 Contributions and Exchanges; Ghost Lifestyle Merger.

(a) Contributions and Exchanges. On the Closing Date (and after giving effect to the transactions contemplated by the Ghost Beverages Merger Agreement, but prior to the Ghost Lifestyle Merger):

(i) Each LGND Sports Seller shall contribute all of the units of LGND Sports held by such LGND Sports Seller in exchange for a number of Class B-1 Units of Ghost Lifestyle, which will be finalized prior to Closing and constitutes the Class B-1 Units of Ghost Lifestyle shown for such LGND Sports Seller on Exhibit C hereto prior to Closing, and after giving effect to such LGND Sports Contribution and Exchange, LGND Sports shall become a direct wholly owned Subsidiary of Ghost Lifestyle;

(ii) Following the transactions described in Section 2.01(a)(i), Buyer shall contribute all of the issued and outstanding equity interests in Ghost Beverages that are owned by Buyer in exchange for Class A Units of Ghost Lifestyle representing the Ghost Lifestyle Buyer Exchanged Equity, which constitutes the Class A Units of Ghost Lifestyle shown for Buyer on Exhibit C hereto prior to Closing; and

(iii) Contemporaneously with the transactions described in Section 2.01(a)(ii), LGND Beverage shall contribute all of the issued and outstanding equity interests in Ghost Beverages that are owned by LGND Beverage in exchange for Class B-1 Units of Ghost Lifestyle (which Class B-1 Units will then be immediately distributed to holders of LGND Beverage), which constitutes the Class B-1 Units of Ghost Lifestyle shown for LGND Beverage on Exhibit C hereto prior to Closing, and after giving effect to such contribution and exchange and the Buyer Contribution and Exchange, Ghost Beverages shall become a direct wholly owned Subsidiary of Ghost Lifestyle.

(b) Ghost Lifestyle Merger. At the Closing, after giving effect to the LGND Sports Contribution and Exchange, Buyer Contribution and Exchange, and LGND Beverage Contribution and Exchange, upon the terms and subject to the conditions set forth in this Agreement, in accordance with the Delaware Limited Liability Company Act (the “DLLCA”), Ghost Lifestyle Merger Sub shall be merged with and into Ghost Lifestyle, with Ghost Lifestyle being the Surviving Company in the Ghost Lifestyle Merger.

(c) Filing of the Certificate of Merger; Surviving Company. At the Closing, Ghost Lifestyle shall cause a certificate of merger, substantially in the form attached hereto as Exhibit G (the “Certificate of Merger”), to be executed and filed with the Secretary of State of the State of Delaware and will make all other filings or recordings required by the DLLCA to effect the Ghost Lifestyle Merger. The Ghost Lifestyle Merger will become effective at such time as the Certificate of Merger is filed with the Secretary of State of the State of Delaware or at such other time as is specified therein and agreed to by the Buyer and the Sellers’ Representative (the “Effective Time”).

(d) Effect of the Ghost Lifestyle Merger. At the Effective Time, the separate limited liability company existence of Ghost Lifestyle Merger Sub shall cease, and Ghost Lifestyle shall be the surviving limited liability company in the Ghost Lifestyle Merger (the “Surviving Company”) and shall continue its limited liability company existence under the laws of the State of Delaware and shall succeed to and assume all of the rights and obligations of Ghost Lifestyle and Ghost Lifestyle Merger Sub in accordance with the DLLCA.

(e) Organizational Documents. At the Effective Time, by virtue of the Ghost Lifestyle Merger and without any further action on the part of the Buyer, Ghost Lifestyle Merger Sub, Ghost Lifestyle, the Surviving Company or the holders of any equity interests of any of the foregoing, the certificate of formation of the Surviving Company will be the certificate of formation of Ghost Lifestyle as in effect immediately prior to the Effective Time and will continue to be the certificate of formation of the Surviving Company until amended in accordance with its terms and the DLLCA. At the Effective Time, the limited liability company agreement of the Surviving Company will be the Ghost Lifestyle Second Amended and Restated LLC Agreement.

(f) Managing Member and Officers. The managing member of the Surviving Company, as of the Effective Time, shall be the managing member as set forth in the Ghost Lifestyle Second Amended and Restated LLC Agreement. The officers of the Surviving Company, as of the Effective Time, shall be the officers as set forth in the Ghost Lifestyle Second Amended and Restated LLC Agreement.

(g) Effect on Equity of Ghost Lifestyle. At the Effective Time, by virtue of the Ghost Lifestyle Merger and without any action on the part of the Buyer, Ghost Lifestyle Merger Sub, Ghost Lifestyle, the Surviving Company or the holders of any equity interests of any of the foregoing:

(i) all of the equity securities of Ghost Lifestyle that are owned by Ghost Lifestyle or any of its Subsidiaries shall be cancelled and shall cease to exist and no cash or other consideration shall be delivered or deliverable in exchange therefor;

(ii) all of the equity interests in Ghost Lifestyle that are owned by any Seller shall, with respect to such Seller, be automatically converted into the right to receive:

(A) the amount of issued and outstanding equity interests of Ghost Lifestyle in the form of Class B-1 Units (to the extent such Seller held equity in Ghost Lifestyle that was not a profits interest immediately prior to Closing) and Class B-2 Units (to the

extent such Seller held equity in Ghost Lifestyle that was a profits interest immediately prior to Closing) in each case set forth for such Seller on Exhibit C hereto; and

(B) (1) an amount in cash (without interest) equal to the product of (x) the Estimated Closing Consideration *multiplied by* (y) such Seller's Seller Percentage Allocation; provided that if the Estimated Closing Consideration is a negative number, then no amount in cash shall be payable with respect to such equity interest pursuant to this clause (B)(1); *plus* (2) the product of such Seller's Seller Percentage Allocation *multiplied by* the sum of (w) the amount owed (if any) in respect of the Adjustment Amount pursuant to Section 2.06(c) (Post-Closing Adjustment), *plus* (x) any disbursements to the Sellers' Representative or Sellers in respect of such Ghost Lifestyle equity (if any) from the Adjustment Escrow Amount held in the Adjustment Escrow Account, if and when made in accordance with Section 2.06(c) (Post-Closing Adjustment); *plus* (y) any disbursements to the Sellers in respect of such Ghost Lifestyle equity (if any) from the funds held in the Sellers' Holdback if and when made in accordance with Section 10.01(e); *plus* (z) any disbursements to the Sellers' Representative or Sellers in respect of such Ghost Lifestyle equity (if any) from the Indemnity Escrow Amount held in the Indemnity Escrow Account if and when made in accordance with Section 9.05;

(iii) all of the equity securities of Ghost Lifestyle Merger Sub that are issued and outstanding immediately prior to the Effective Time shall be automatically converted into and become Class A Units representing the Ghost Lifestyle Buyer Purchased Equity as shown on Exhibit C hereto; and

(iv) all of the equity securities of Ghost Lifestyle that are owned by Buyer prior to the Merger (which includes the Class A Units acquired pursuant to the Buyer Contribution and Exchange) shall be automatically converted into and become Class A Units representing the Ghost Lifestyle Buyer Exchanged Equity as shown on Exhibit C hereto.

(h) Prior to the Closing Date and subject to the reasonable review and timely approval of Buyer (which shall not be unreasonably withheld, conditioned or delayed), Ghost Lifestyle shall use commercially reasonable efforts, and the Seller Parties shall cause Ghost Lifestyle to use commercially reasonable efforts, to take any and all actions necessary to authorize and implement the transactions contemplated by Section 2.01(g), including (i) taking all actions necessary to ensure that any "Management Incentive Unit" in Ghost Lifestyle held immediately prior to the Closing will become fully vested and (ii) obtaining from each holder of a "Management Incentive Unit" in Ghost Lifestyle a validly and properly executed management incentive unit cancellation, conversion and release agreement in a form mutually agreed between Buyer and Ghost Lifestyle (which may be incorporated into the Letter of Transmittal), which agreement shall (A) reflect the terms of Section 2.01(g)(ii) and (B) include a release of claims in respect of the transactions contemplated by Section 2.01(g) by the holder of such "Management Incentive Unit" in favor of the Target Companies and Buyer and its Affiliates. Any Liabilities of any kind on the part of Ghost Lifestyle that arise in connection with the performance or breach by Ghost Lifestyle or any Seller Party of this Section 2.01(h) shall be deemed to be Transaction Expenses.

Section 2.02 The Closing. Subject to the terms and conditions herein, the closing of the Transactions (the "Closing") shall take place remotely via electronic transmission of related documentation (such as by use of .pdf) on (a) December 31, 2024, or (b) such other date as the Parties may mutually determine (the date on which the Closing actually occurs, the "Closing Date").

Section 2.03 Closing Deliverables. At the Closing, the Parties shall deliver each of the following:

(a) Buyer Deliverables. At the Closing, Buyer shall deliver or cause to be delivered to the Sellers' Representative (or such other Person as may be specified herein) the following:

(i) to the Paying Agent by wire transfer of immediately available funds, the Estimated Closing Consideration as set forth on the Closing Date Payment Schedule (such amount, the "Closing Date Payment") and such funds held by the Paying Agent, the "Exchange Funds") to be held by the Paying Agent and distributed in accordance with this Agreement and the Paying Agent Agreement; provided that if the Estimated Closing Consideration is a negative number, then Buyer shall not transfer any funds to the Paying Agent to be distributed in accordance with this Agreement;

(ii) to the Escrow Agent, solely to the extent available from the Pre-Holdback Closing Cash, (A) an amount in cash equal to the Adjustment Escrow Amount and (B) an amount in cash equal to the Indemnity Escrow Amount; provided that to the extent that the amount of the Pre-Holdback Closing Cash is not sufficient to fund the Adjustment Escrow Amount and/or the Indemnity Escrow Amount in full, such amounts shall be funded by Ghost Lifestyle as provided in Section 2.03(b)(viii) from a portion of the proceeds received by LGND Beverage in the Ghost Beverages Merger and distributed to Ghost Lifestyle in connection with the Pre-Closing Reorganization, and shall be deemed amounts funded by Buyer hereunder;

(iii) solely to the extent available from the Pre-Holdback Closing Cash, all amounts required to be paid under the Payoff Letters in order to discharge the Indebtedness owed to the Persons thereunder, by wire transfer of immediately available funds to the accounts designated in such Payoff Letters; provided that to the extent that the amount of the Pre-Holdback Closing Cash is not sufficient to discharge such Indebtedness in full, such payoff amounts shall be funded by Ghost Lifestyle as provided in Section 2.03(b)(ix) from a portion of the proceeds received by LGND Beverage in the Ghost Beverages Merger and distributed to Ghost Lifestyle in connection with the Pre-Closing Reorganization, and shall be deemed amounts funded and paid by Buyer hereunder;

(iv) on behalf of the Sellers and the Target Companies, solely to the extent available from the Pre-Holdback Closing Cash, (A) the Transaction Expenses to be paid (net of any applicable withholding) to the applicable payee by wire transfer of immediately available funds in the amounts due and owing to such payee as set forth on the invoices included with the Estimated Closing Statement (provided that, any amounts included in the Transaction Expenses that are compensation payments to any current or former service providers of a Seller or the Target Companies shall be delivered to such Seller or the Target Companies directly, as applicable, for further distribution of such amounts by such Seller or the Target Companies, as applicable, through the next administratively practicable payroll in accordance with their terms (and following the Closing, such Seller or the Target Companies, as applicable, shall cause such amounts to be so distributed)), (B) all withholding and related employment Taxes to the applicable Target Company to be timely withheld and remitted to the appropriate Governmental Authority (if applicable) and (C) the Sellers' Holdback to the Sellers' Representative to cover the Sellers' Representative's out-of-pocket costs and expenses in accordance with Section 10.01(e); provided that to the extent that the amount of the Pre-Holdback Closing Cash is not sufficient to fund or pay such Transaction Expenses, withholding and related employment Taxes, and/or Sellers' Holdback in full, such amounts shall be funded or paid by Ghost Lifestyle as provided in Section 2.03(b)(x) from a portion of the proceeds received by LGND Beverage in the Ghost Beverages Merger and distributed to Ghost Lifestyle in connection with the Pre-Closing Reorganization, and shall be deemed amounts funded and paid by Buyer hereunder;

(v) a signature page to the Ghost Lifestyle Second Amended and Restated LLC Agreement, duly executed by Buyer;

(vi) a signature page to each of the Escrow Agreement and Paying Agent Agreement, duly executed by Buyer, Escrow Agent and Paying Agent, as applicable; and

(vii) the certificate, duly executed by an officer of Buyer as set forth in Section 7.03(c).

(b) Ghost Lifestyle and Seller Deliverables. At the Closing, Ghost Lifestyle and each Seller Party (in each case as applicable) shall deliver or cause to be delivered to the Buyer (or such other Person as may be specified herein) the following:

(i) a properly completed and executed IRS Form W-9 of each Seller that is a “United States person” (or of the regarded parent of any Seller that is disregarded as separate from a “United States person”) within the meaning of Code Section 7701(a)(30) or appropriate IRS Form W-8;

(ii) a statement, in form and substance reasonably satisfactory to Buyer, described in Treasury Regulations Section 1.1445-11T(d)(2);

(iii) Joinders, duly executed by Sellers (which shall include [***]) representing at least 90% of the outstanding equity of Ghost Lifestyle on a fully-diluted basis as of immediately prior to Closing (including for the avoidance of doubt, prior to the Buyer Contribution and Exchange);

(iv) a signature page to the Ghost Lifestyle Second Amended and Restated LLC Agreement, duly executed by each of the applicable members of Ghost Lifestyle as of the Closing (other than Buyer);

(v) a signature page to each of the Escrow Agreement and Paying Agent Agreement, duly executed by Sellers’ Representative;

(vi) the certificate, duly executed by an officer of each Target Company and Sellers’ Representative as set forth in Section 7.02(c);

(vii) Payoff Letters as set forth in Section 5.06(a), duly executed by each creditor with respect to the Indebtedness identified on Schedule 5.06; and

(viii) to the Escrow Agent, an amount in cash equal to the Indemnity Escrow Amount and Adjustment Escrow Amount from a portion of the proceeds received by LGND Beverage in the Ghost Beverages Merger and distributed to Ghost Lifestyle in connection with the Pre-Closing Reorganization, to the extent not funded pursuant to Section 2.03(a)(ii);

(ix) all amounts required to be paid under the Payoff Letters in order to discharge the Indebtedness owed to the Persons thereunder, by wire transfer of immediately available funds to the accounts designated in such Payoff Letters; from a portion of the proceeds received by LGND Beverage in the Ghost Beverages Merger and distributed to Ghost Lifestyle in connection with the Pre-Closing Reorganization, to the extent not paid pursuant to Section 2.03(a)(iii); and

(x) (A) the Transaction Expenses to be paid (net of any applicable withholding) to the applicable payee by wire transfer of immediately available funds in the amounts due and owing to such payee as set forth on the invoices included with the Estimated Closing Statement (provided that, any amounts included in the Transaction Expenses that are compensation payments to any current or former service providers of a Seller or the Target Companies shall be delivered to such Seller or the Target Companies directly, as applicable, for further distribution of such amounts by such Seller or the Target Companies, as applicable,

through the next administratively practicable payroll in accordance with their terms (and following the Closing, such Seller or the Target Companies, as applicable, shall cause such amounts to be so distributed)), (B) all withholding and related employment Taxes to the applicable Target Company to be timely withheld and remitted to the appropriate Governmental Authority (if applicable) and (C) the Sellers' Holdback to the Sellers' Representative to cover the Sellers' Representative's out-of-pocket costs and expenses in accordance with Section 10.01(e); in each case from a portion of the proceeds received by LGND Beverage in the Ghost Beverages Merger and distributed to Ghost Lifestyle in connection with the Pre-Closing Reorganization, to the extent not funded or paid pursuant to Section 2.03(a)(iv);

(xi) to Buyer, to the extent the Estimated Equity Value is a negative number, the absolute value of such amount from a portion of the proceeds received by LGND Beverage in the Ghost Beverages Merger and distributed to Ghost Lifestyle in connection with the Pre-Closing Reorganization.

Section 2.04 Letters of Transmittal.

(a) With respect to each Seller that (i) delivers a letter of transmittal substantially in the form attached hereto as Exhibit H (a "Letter of Transmittal") to the Paying Agent, duly completed and validly executed in accordance with the instructions thereto, and (ii) delivers the applicable IRS Form W-9 or appropriate IRS Form W-8 to Paying Agent, and any other such document that Buyer or Paying Agent may reasonably require in order to effect the payment of the applicable portion of the Closing Date Payment (each, a "Tendering Seller"), such Tendering Seller shall be entitled to receive, in exchange therefor, the consideration due to such Tendering Seller pursuant to Section 2.01(g)(ii) after the consummation of the Ghost Lifestyle Merger (but not before the Effective Time), and Paying Agent shall release to each Tendering Seller, promptly after the receipt and confirmation of the deliverables contemplated by this Section 2.04(a), the applicable portion of the Closing Date Payment and other consideration due to such Tendering Seller pursuant to Section 2.01(g)(ii), in each case less any applicable Tax withholding. Prior to the Closing, Ghost Lifestyle shall send each Seller a Letter of Transmittal and instructions by which each Tendering Seller shall receive the applicable portion of the Closing Date Payment and other consideration due to such Tendering Seller pursuant to Section 2.01(g)(ii), in each case less any applicable Tax withholding, in connection with the Ghost Lifestyle Merger (the "Instructions"). The Instructions shall convey to each Seller the requirements and documents that such Seller must deliver in order to receive the applicable portion of the Closing Date Payment and other consideration due to such Tendering Seller pursuant to Section 2.01(g)(ii), in each case less any applicable Tax withholding. For the avoidance of doubt, neither Buyer nor Paying Agent shall be required to deliver to any Seller the consideration pursuant to Section 2.01(g)(ii) until such Seller becomes a Tendering Seller (including the receipt and confirmation of the deliverables contemplated by this Section 2.04(a) from such Seller).

(b) Without limiting the generality of the foregoing, except as expressly contemplated hereby, including with respect to the Ghost Beverages Merger Agreement and the LGND Sports Contribution and Exchange, Buyer or Ghost Lifestyle shall not directly or indirectly (through any of its Subsidiaries or otherwise) pay or provide any consideration or any other amounts (including any termination, cancellation or other fees or amounts) in connection with the acquisition, termination, settlement or cancellation of any securities in connection with the Ghost Lifestyle Merger and other Transactions. Upon the receipt of any Letters of Transmittal duly executed by any Seller prior to the Closing, Ghost Lifestyle shall promptly send a copy of such duly executed Letter of Transmittal to Buyer and Paying Agent.

(c) As soon as reasonably practicable following the date that is six (6) months following the Closing Date, the Paying Agent shall distribute any remaining Exchange Funds to Buyer or its designee. The Sellers shall look to the Surviving Company for payments and other

consideration contemplated by Section 2.01(g)(ii) for payment in accordance with the terms of this Agreement; provided, that the Exchange Funds, the Adjustment Escrow Amount, the Indemnity Escrow Amount, and/or the Sellers' Holdback shall be held and distributed in accordance with the terms of this Agreement, the Escrow Agreement and the Paying Agent Agreement, as applicable, at the respective times and subject to the contingencies specified herein and therein.

(d) Notwithstanding anything to the contrary contained herein, none of the Surviving Company or any other Party shall be liable to any Person for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.05 Estimated Closing Statement; Closing Date Payment Schedule.

(a) At least [***] prior to the Closing: the Sellers' Representative shall deliver, or shall have delivered, to Buyer a written statement (the "Estimated Closing Statement"), duly certified by an officer of Ghost Lifestyle, setting forth the good faith estimated calculations of: the Closing Cash (the "Estimated Closing Cash"), Closing Indebtedness (the "Estimated Closing Indebtedness"), Closing Transaction Expenses (the "Estimated Closing Transaction Expenses"), Closing Working Capital (the "Estimated Closing Working Capital"), and the resulting Estimated Closing Consideration based on the foregoing estimates, which calculations shall be done in accordance with this Agreement, including the definitions set forth herein, the Sample Closing Statement and the Accounting Principles. The Estimated Closing Statement shall include reasonable supporting detail of each of the components of the Estimated Closing Consideration and invoices and wire instructions for any Transaction Expenses. Upon the delivery of the Estimated Closing Statement, the Sellers' Representative and Ghost Lifestyle will provide to Buyer and its Representatives reasonable access during regular business hours and without unreasonable interference of the Target Companies' operations, to employees, work papers, books and records and other information of the Target Companies reasonably requested by the Buyer related to the calculations set forth in the Estimated Closing Statement. The Sellers' Representative and Ghost Lifestyle shall consider in good faith any reasonable comments made by Buyer to the Estimated Closing Statement prior the Closing; provided that, in the event of a good faith dispute with respect to such comments, the failure of the Sellers' Representative to implement such comments in good faith made by Buyer shall not delay or otherwise prevent the Closing, and the Sellers' Representative's calculation shall prevail for the purposes of the Estimated Closing Statement. To the extent the Sellers' Representative agrees to such revisions, the Sellers' Representative shall deliver to the Buyer a revised Estimated Closing Statement reflecting such revisions, which revised Estimated Closing Statement shall (i) be deemed to have been delivered at the time the Sellers' Representative delivered the initial Estimated Closing Statement and (ii) be used for purposes of determining any items set forth therein at the Closing. For the avoidance of doubt, Buyer shall have no obligation to comment on the Estimated Closing Statement and Buyer's comment or failure to comment on the Estimated Closing Statement (including Buyer's identification of any questions or changes or any failure to identify any questions or changes) shall not indicate or be deemed or construed as any acceptance or waiver by or of Buyer, or otherwise impact Buyer's right to prepare the Buyer Closing Calculations in accordance with Section 2.06.

(b) Concurrent with the delivery of the Estimated Closing Statement, the Sellers' Representative shall deliver, or shall have delivered, to Buyer a written schedule (the "Closing Date Payment Schedule") setting forth (i) the amount and class of equity in Ghost Lifestyle held by each Seller as of immediately prior to the Closing (for the avoidance of doubt, following the Buyer Contribution and Exchange, LGND Beverage Contribution and Exchange, and LGND Sports Contributions and Exchange, but prior to the Ghost Lifestyle Merger), (ii) the Seller Percentage Allocation of each Seller and the Indemnity Percentage Allocation of each Seller, in each case as of immediately prior to the Closing (for the avoidance of doubt, following the Buyer Contribution and Exchange, LGND Beverage Contribution and Exchange, and LGND

Sports Contributions and Exchange, but prior to the Ghost Lifestyle Merger), (iii) the portion of the Closing Date Payments payable to each Seller, and (iv) an updated version of Exhibit C setting forth the capitalization of Ghost Lifestyle immediately following Closing with Buyer holding 60% of the issued and outstanding equity interests of Ghost Lifestyle in the form of Class A Units (directly) and with such changes between the date of this Agreement and Closing solely to reallocate the 40% of equity interests of Ghost Lifestyle to be held by Sellers immediately following the Closing, solely to the extent required based on the distribution provisions in the Target Company Organizational Documents. Buyer shall be entitled to conclusively rely on the information provided by the Sellers' Representative in the Closing Date Payment Schedule. The Closing Date Payment Schedule shall be prepared in accordance with the Target Company Organizational Documents in effect as of immediately prior to the Closing and applicable Law. The Closing Date Payment Schedule shall also include (i) the portion of the consideration payable to LGND Beverage pursuant to the Ghost Beverages Merger (the "LGND Beverage Ghost Beverages Merger Consideration"), (ii) the portion of the LGND Beverage Ghost Beverages Merger Consideration to be distributed to Ghost Lifestyle to (x) fund the Indemnity Escrow Amount, Adjustment Escrow Amount, Estimated Transaction Expenses, Sellers' Holdback, and/or amounts required to be paid under the Payoff Letters hereunder, in each case pursuant to Section 2.03(b), and (y) be further distributed the equityholders of Ghost Lifestyle (the amount in this clause (y), the "Ghost Lifestyle Ghost Beverages Merger Consideration"), and (iii) the portion of the Ghost Lifestyle Ghost Beverages Merger Consideration to be distributed to each equityholder of Ghost Lifestyle, in each case pursuant to the Pre-Closing Reorganization.

Section 2.06 Post-Closing Adjustment.

(a) Promptly, but in any event within [***] after the Closing Date, Buyer shall prepare (or cause to be prepared) and deliver (or cause to be delivered) to the Sellers' Representative, a written statement (the "Buyer Closing Calculations") setting forth the good faith calculations of: the Closing Cash, Closing Indebtedness, Closing Transaction Expenses, Closing Working Capital, and the resulting Closing Consideration and Adjustment Amount, which calculations shall be done in accordance with this Agreement, including the definitions set forth herein and the Accounting Principles. The Buyer Closing Calculations shall include reasonable supporting detail of each of the components of the Closing Consideration. The "Adjustment Amount" shall mean an amount equal to (which may be a positive or negative number) the Closing Consideration as finally determined pursuant to this Section 2.06 minus the Estimated Closing Consideration as set forth in the Estimated Closing Statement delivered pursuant to Section 2.05. The "Adjustment Amount" as finally determined pursuant to this Section 2.06 shall be (i) equal to the amount agreed to as the Adjustment Amount at any time in writing by Buyer and the Sellers' Representative; (ii) if the Buyer Closing Calculations are delivered by Buyer within the time period required by this Section 2.06(a) and a Dispute Notice is not delivered by the Sellers' Representative to Buyer within the time period required by Section 2.06(b), the Adjustment Amount set forth in the Buyer Closing Calculations; (iii) if the Buyer Closing Calculations are not delivered by Buyer within the time period required by this Section 2.06(a), then at the election of the Sellers' Representative, in his sole discretion, either (A) the Adjustment Amount shall be deemed to be equal to \$0, or (B) the Sellers' Representative may dispute the calculations in the Estimated Closing Statement by delivering a Dispute Notice with respect thereto in accordance with Section 2.06(b) (in which case, the Buyer Closing Calculations shall be deemed to be the calculations set forth in the Estimated Closing Statement for purposes of Section 2.06(b)); or (iv) the Adjustment Amount as finally determined pursuant to the written determination of the Accounting Firm made in accordance with the provisions of Section 2.06(b).

(b) If the Sellers' Representative disagrees with any Buyer Closing Calculations, the Sellers' Representative may, within [***] after receipt of the Buyer Closing Calculations (the "Review Period"), deliver a written notice (the "Dispute Notice") to Buyer

setting forth its calculation of each disputed amount (each an “Item of Dispute”) and any calculation or amount in the Buyer Closing Calculations that is not an Item of Dispute shall be conclusive and binding upon each of the Parties. During the Review Period, the Sellers’ Representative shall have reasonable access during regular business hours and without unreasonable interference of the Target Companies’ operations, to review and obtain copies of books and records of the Target Companies reasonably requested by the Sellers’ Representative related to and required to review the Buyer Closing Calculations. If Buyer does not receive any Dispute Notices during the Review Period, the Buyer Closing Calculations shall be conclusive and binding upon each of the Parties. If Buyer receives a Dispute Notice from the Sellers’ Representative during the Review Period, Buyer and Sellers’ Representative shall use good faith efforts to resolve each Item of Dispute set forth in the Dispute Notice, and, if any Item of Dispute is so resolved, the Buyer Closing Calculations shall be modified to the extent necessary to reflect such resolution. If any Item of Dispute remains unresolved as of the 20th day after delivery by Sellers’ Representative of a Dispute Notice, Buyer and Sellers’ Representative shall jointly retain [***] or if [***] is unable or unwilling to serve in such role, another nationally recognized accounting or consulting firm upon which the Buyer and Sellers’ Representative mutually agree (the “Accounting Firm”) to resolve such remaining disagreement. Buyer and Sellers’ Representative shall instruct that the Accounting Firm render a determination as to each unresolved Item of Dispute within 30 days after its retention, which determination must be in writing and must set forth, in reasonable detail, the basis therefor and include a certification that it reached such determination in accordance with this Agreement, including the definitions set forth herein, the Sample Closing Statement and the Accounting Principles. Any submissions to the Accounting Firm must be written and delivered concurrently to each of Buyer and Sellers’ Representative. Buyer, Sellers’ Representative, the Target Companies and each of their respective Representatives shall reasonably cooperate with the Accounting Firm so as to enable it to make such determination as quickly and accurately as practicable. The Federal Rules of Evidence Rule 408 shall apply with respect to any communications and other correspondence during the Review Period and any subsequent communications related to the Buyer Closing Calculations or the Dispute Notices following therefrom. The Accounting Firm shall consider only those items and amounts that were set forth in the Buyer Closing Calculations and the Dispute Notices and that remain unresolved by Buyer and Sellers’ Representative and shall act as an expert and not as an arbitrator. None of Buyer, the Sellers’ Representative or any of their respective Affiliates or Representatives shall have any *ex parte* conversations or meetings with the Accounting Firm in connection with any dispute submitted to the Accounting Firm pursuant to this Section 2.06(b) without the prior written consent of Buyer and Sellers’ Representative. In resolving any Item of Dispute, the Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by either Buyer or Sellers’ Representative or less than the smallest value for such item claimed by either Buyer or Sellers’ Representative. The Accounting Firm’s determination(s) shall be made in accordance with the definitions of Closing Cash, Closing Indebtedness, Closing Transaction Expenses, and Closing Working Capital included in this Agreement. The Accounting Firm’s determination of each Item of Dispute submitted to it shall be in writing, shall conform with this Section 2.06 and shall be conclusive and binding upon each of the Parties absent manifest error or fraud. The Accounting Firm shall provide a determination of the Adjustment Amount. The Accounting Firm shall allocate its fees, costs and expenses between Buyer, on the one hand, and the Sellers’ Representative on behalf of the Sellers, on the other hand, based upon the percentage which the portion of the contested amount not awarded to each such Party bears to the amount actually contested by such Party. For example, if Sellers’ Representative claims that the Closing Consideration is, in the aggregate, \$1,000 greater than the amount determined by Buyer, and if the Accounting Firm ultimately resolves the dispute by awarding to Sellers an aggregate of \$300 of the \$1,000 contested, then the costs and expenses of the Accounting Firm will be allocated 30% to Buyer and 70% to the Sellers’ Representative on behalf of the Sellers. Except as provided in the immediately preceding sentences, all other costs and expenses incurred by the Parties in connection with resolving any dispute before the Accounting firm shall be borne by the Party incurring such cost and expense.

(c) Payments. Within five (5) Business Days after the final determination of the Adjustment Amount as contemplated by this Section 2.06:

(i) if the Adjustment Amount is a positive number, (x) Buyer shall pay (or cause to be paid) to the Paying Agent for further payment to the Sellers, an amount in cash equal to the lesser of the Adjustment Amount and the Adjustment Escrow Amount and (y) the Sellers' Representative and Buyer shall jointly direct the Escrow Agent, in accordance with the provisions of the Escrow Agreement, to pay any remaining Adjustment Escrow Amount in the Adjustment Escrow Account to the Paying Agent for further payment to the Sellers; and

(ii) if the Adjustment Amount is a negative number, the Sellers' Representative and Buyer shall jointly direct the Escrow Agent, in accordance with the provisions of the Escrow Agreement, to pay (x) to the account designated in writing by Buyer, an amount in cash from the Adjustment Escrow Account equal to the lesser of the absolute value of the Adjustment Amount and the Adjustment Escrow Amount, and (y) to the Paying Agent for further payment to Sellers, an amount in cash from the Adjustment Escrow Account equal to the remaining balance of the Adjustment Escrow Amount, if any.

(d) Payments to Sellers. Following the receipt by Paying Agent of any amounts pursuant to Section 2.06(c), the Sellers' Representative and Buyer shall jointly direct the Paying Agent to, and the Paying Agent shall, distribute such amounts to the Sellers in accordance with the Paying Agent Agreement and each such Seller's Seller Percentage Allocation.

Section 2.07 Withholding Rights.

(a) Each of the Sellers' Representative, the Target Companies, Buyer, the Escrow Agent and the Paying Agent, and any other withholding agent shall be entitled to deduct and withhold from any payment under this Agreement, the Escrow Agreement or the Paying Agent Agreement, such Taxes as it is required to deduct or withhold with respect to the making of such payment or any other Tax withholding obligation with respect to the Transactions. In the event that any Person intends to make any deduction or withholding, it shall use commercially reasonable efforts to notify the applicable Person to whom such deduction or withholding applies at least five (5) Business Days prior to such payment and the Parties will use commercially reasonable efforts to eliminate or reduce any such deduction or withholding other than in respect of any compensatory amounts, any payee who has not delivered an IRS Form W-9 or applicable IRS Form W-8 confirming no withholding is required or if Ghost Lifestyle has failed to deliver the form described in Section 2.03(b)(ii). The Parties shall reasonably cooperate in connection determining the amounts of any required withholding pursuant to Code Section 1446(f). To the extent that amounts are withheld or deducted hereunder, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to such Person in respect of which such deduction and withholding was made.

(b) The Parties further agree that any Taxes required to be withheld by Ghost Lifestyle or any Target Company that are attributable to the sale of Ghost Beverages shall be held by Ghost Lifestyle or such Target Company for further payment to the applicable Governmental Authority. For the avoidance of doubt, except with respect to LGND Beverage, if it is not a Subsidiary of Ghost Lifestyle at the Closing, the liability to pay over Tax withholdings to the applicable Governmental Authority shall constitute a portion of the Pre-Closing Tax Liability Amount, and any amounts so withheld as of the Closing and not yet paid over to the applicable Governmental Authority shall constitute Cash. To the extent that it is determined that the amount of Taxes required to be remitted by Ghost Lifestyle or any Target Company is less than the amount of Taxes withheld in accordance with this Section 2.07(b) (including as a result of a Seller providing Ghost Lifestyle or such Target Company forms or other required information completed in accordance with applicable state law, reasonably satisfactory to Ghost

Lifestyle or such other Target Company, as applicable, confirming that no Tax withheld in respect of such Seller is required to be paid by Ghost Lifestyle or such Target Company, as applicable, to a particular Governmental Entity), Ghost Lifestyle or such Target Company shall promptly, and in any event within five Business Days, distribute or otherwise pay over such amounts to the applicable Person in respect of which such deduction and withholding was made, and, if such distribution is made prior to the payment of the Adjustment Amount, the Pre-Closing Tax Liability Amount and Cash shall be appropriately adjusted, in each case, without limiting any Person's rights or obligations pursuant to Section 2.06, under the Ghost Lifestyle Second Amended and Restated LLC Agreement, the constitutive documents of any other relevant entity or otherwise.

ARTICLE III

REPRESENTATIONS AND WARRANTIES REGARDING THE TARGET COMPANIES

As a material inducement to Buyer and Ghost Lifestyle Merger Sub to enter into this Agreement, Ghost Lifestyle represents and warrants to Buyer and Ghost Lifestyle Merger Sub as follows:

Section 3.01 Organization. Ghost Lifestyle, LGND Beverage, Ghost Beverages, Ghost Protein, Ghost Beverages 3P, Ghost Protein 3P and LGND Sports are each a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Ghost L.L.C. and Ghost 3P are each a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Nevada. Each Target Company is duly qualified or licensed as a foreign entity, if necessary, to do business and in good standing in each jurisdiction in which the character or location of any property owned, leased or operated by the Target Companies or the nature of their business makes such qualification necessary, except where the failure to be so qualified or licensed would not, individually or in the aggregate, be material to the Target Companies.

Section 3.02 Authorization of Transaction; Binding Effect.

(a) Each of the Target Companies has full limited liability company power and authority to own, lease and operate its assets and to carry on its business as is presently conducted. Ghost Lifestyle has the full limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Each Target Company has the full limited liability company power and authority to execute and deliver the Ancillary Agreements to which such Target Company is a party and to perform its obligations thereunder. The execution and delivery of this Agreement and the Ancillary Agreements to which each Target Company is a party by such Target Company (as applicable) and the performance by such Target Company of its obligations hereunder and thereunder have been duly authorized by all requisite limited liability company action and no additional limited liability company actions on the part of any such Target Company are necessary to authorize any such actions. Ghost Lifestyle has made available to Buyer and Ghost Lifestyle Merger Sub true, complete and correct copies of each of the Target Companies' certificate of formation and limited liability company agreement, each as in effect on the date of this Agreement (collectively, the "Target Company Organizational Documents"). No Target Company is in violation of any Target Company Organizational Document.

(b) This Agreement and the Ancillary Agreements to which each Target Company is a party have been duly executed and delivered by such Target Company and, assuming due authorization and execution by the other parties hereto and thereto, constitute the valid and legally binding obligation of such Target Company, enforceable in accordance with

their terms and conditions (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or by general equitable principles).

Section 3.03 Noncontravention. Except for the HSR Clearance and as set forth on Schedule 3.03, neither the execution and the delivery of this Agreement and the Ancillary Agreements to which any Target Company is a party, nor the consummation of the transactions contemplated hereby or thereby, will (a) violate any provision of the Target Company Organizational Documents, (b) assuming compliance by Buyer and Ghost Lifestyle Merger Sub with Section 4.03, violate any Law or other restriction of any Governmental Authority to which the Target Companies are subject or require any consent, order or authorization of, filing or registration with, or notification to any Governmental Authority, or (c) with or without notice, lapse of time or both, conflict with, result in a breach of, constitute a default under or result in the acceleration or termination of (or right of termination of), or loss, delay, impairment or alteration or other change of, any material rights, benefits or obligations under, any Contract or Permit to which any Target Company is subject or result in the payment of any fee under, or creation or imposition of any Lien on any Target Company or its assets or properties, pursuant to any Contract or Permit to which any Target Company is subject, except, in the case of clauses (b) and (c), where the violation, conflict, breach, default or acceleration would not, individually or in the aggregate, be material to the Target Companies. Except for HSR Clearance, the execution and delivery of this Agreement and the Ancillary Agreements to which each Target Company is a party by such Target Company and the consummation of the transactions contemplated hereby or thereby do not require any consent or approval of any Governmental Authority and no registrations, Permits or authorizations are required to be obtained by the Target Companies, except for consents or approvals the failure of which to obtain would not, individually or in the aggregate, be material to the Target Companies.

Section 3.04 Capitalization.

(a) As of the date hereof and as of immediately prior to Closing (prior to the Ghost Beverages Merger, Buyer Contribution and Exchange, the LGND Sports Contribution and Exchange and Ghost Lifestyle Merger), (i) the authorized, issued and outstanding equity interests of Ghost Lifestyle are set forth on Schedule 3.04(a)-1, including: (A) the name of each holder, (B) the amount of units and (C) the class of units, and (ii) Schedule 3.04(a)-2 sets forth a complete and accurate list of each "Management Incentive Unit" in respect of Ghost Lifestyle and its Subsidiaries and LGND Beverage that is outstanding, including with respect to each award: (A) the name of each holder; (B) the amount of units; (C) the grant date; (D) the liquidation value of Ghost Lifestyle on the grant date; (E) the distribution threshold (or similar concept); (F) whether the management incentive unit award is currently in the money; (G) whether the holder thereof has made a timely and valid election under Section 83(b) of the Code, (H) the number of such units subject to time-vesting; (I) the number of such units subject to performance-vesting; (J) the amount vested immediately prior to the date hereof; (K) the vesting schedule and vesting commencement date for such management incentive unit; and (L) the treatment in connection with the consummation of this Agreement.

(b) All of the issued and outstanding equity interests of Ghost Lifestyle have been duly authorized and are validly issued, fully paid, non-assessable, and as of the date hereof and as of immediately prior to Closing (prior to the Ghost Beverages Merger, Buyer Contribution and Exchange, the LGND Sports Contribution and Exchange and Ghost Lifestyle Merger), are held of record by the Sellers as set forth on Schedule 3.04(a) free and clear of all Liens (other than restrictions on transfer arising pursuant to federal and state securities laws or the Ghost Lifestyle LLC Agreement). Assuming the consummation of the Transactions, as of immediately following the Closing (including, for the avoidance of doubt, the Buyer Contribution and Exchange, the LGND Sports Contribution and Exchange and the Ghost Lifestyle Merger), the issued and outstanding equity interests of Ghost Lifestyle shall be held of record as set forth on

Exhibit C hereto. No equity interests of Ghost Lifestyle were issued in violation of any Contract or commitment to which Sellers or Ghost Lifestyle is a party or is subject to, or in violation of any applicable Laws or any preemptive or similar rights of any Person. Except as set forth on Schedule 3.04(a), there is no Contract, agreement or other arrangement pursuant to which any of the Target Companies has granted any unit, warrant, right, option, phantom unit, conversion privilege, unit purchase plan, put, call or other contractual obligation relating to the offer, issuance, purchase or redemption, exchange, conversion, voting or transfer of any shares of its equity interests or other securities convertible into or exchangeable for equity interests of the Target Companies (now, in the future or upon the occurrence of any contingency) or that provides for any equity appreciation or similar right. Ghost Lifestyle has no outstanding bonds, debentures, notes or other obligations, the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the equityholders of Ghost Lifestyle in any matter. There are no stockholder agreements, limited liability company agreements, voting trusts, proxies or other Contracts or understandings relating to the voting, transfer or registration of any equity interests of Ghost Lifestyle (other than restrictions on transfer arising pursuant to the Ghost Lifestyle LLC Agreement). Ghost Lifestyle is not a party to any Contract that obligates it to repurchase, redeem or otherwise acquire or retire, or make a payment the value of which is by reference to, any equity interest of Ghost Lifestyle.

(c) The payment by or on behalf of Buyer to Sellers of the consideration pursuant to the Ghost Lifestyle Merger, when made in accordance with this Agreement, the Ancillary Agreements and the Closing Date Payment Schedule, will comply in all respects with the Target Company Organizational Documents (including the Ghost Lifestyle LLC Agreement and Ghost Beverages LLC Agreement).

Section 3.05 Subsidiaries. The Subsidiaries of Ghost Lifestyle (i) as of the date hereof, (ii) as of immediately prior to Closing (including, for the avoidance of doubt, prior to the Buyer Contribution and Exchange, the LGND Sports Contribution and Exchange and the Ghost Lifestyle Merger) and (iii) as of immediately following the Buyer Contribution and Exchange and the LGND Sports Contributions and Exchange, but prior to the Ghost Lifestyle Merger, are set forth on Schedule 3.05(a). All of the issued and outstanding equity interests of Ghost Lifestyle's Subsidiaries have been duly authorized and are validly issued, fully paid, non-assessable, and as of the date hereof and as of immediately prior to Closing (prior to the Ghost Beverages Merger, Buyer Contribution and Exchange, the LGND Sports Contribution and Exchange and Ghost Lifestyle Merger) are held of record by the Persons as set forth on Schedule 3.05(b) free and clear of all Liens (other than restrictions on transfer arising pursuant to federal and state securities laws). Except for the Subsidiaries set forth on Schedule 3.05(a), the Target Companies do not own or control, directly or indirectly, any equity interests in any Person, or have any obligation or commitment to acquire any equity interests of any Person. No equity interests of any Subsidiaries of Ghost Lifestyle were issued in violation of any agreement, arrangement or commitment to which Sellers or any Target Company is a party or is subject to, or in violation of any applicable Laws or any preemptive or similar rights of any Person. No Subsidiary of Ghost Lifestyle has any outstanding bonds, debentures, notes or other obligations, the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the equityholders of such Subsidiary in any matter. There are no stockholder agreements, limited liability company agreements, voting trusts, proxies or other Contracts or understandings relating to the voting, transfer or registration of any equity interests of any Subsidiary of Ghost Lifestyle (other than restrictions on transfer arising pursuant to the Ghost Beverages LLC Agreement). No Subsidiary of Ghost Lifestyle is a party to any Contract that obligates it to repurchase, redeem or otherwise acquire or retire, or make a payment the value of which is by reference to, any equity interest of such Subsidiary of Ghost Lifestyle.

Section 3.06 Broker's Fees. Except for the fees and expenses of Morgan Stanley & Co., LLC, which shall be treated as Transaction Expenses, none of the Target Companies, Sellers, or their respective Affiliates have, or will have, any Liability or obligation to pay any

fees or commissions to any broker, finder or agent with respect to the Transactions for which Buyer or Ghost Lifestyle Merger Sub or any of their respective Affiliates (including the Target Companies after Closing) is or could become liable or obligated.

Section 3.07 Financial Statements.

(a) Schedule 3.07 sets forth true, correct and complete copies of: (i) the audited consolidated balance sheet of Ghost Lifestyle and Ghost Beverages as of December 31, 2021, December 31, 2022 and December 31, 2023 and the related statements of operations, deficit and cash flow for the fiscal years ended on such dates (the “Audited Financial Statements”), (ii) the unaudited consolidated balance sheet of Ghost Lifestyle and Ghost Beverages as of June 30, 2024 (the “Reference Balance Sheet Date”) and the related statement of income for the six-month period ended on such date (the “Unaudited Financial Statements”), and (iii) the unaudited balance sheets of Ghost Lifestyle and Ghost Beverages as of July 31, 2024 and August 30, 2024 and the related statement of income for the monthly period ended on such date (the “Monthly Financial Statements” and, collectively with the Audited Financial Statements and Unaudited Financial Statements, the “Financial Statements”). The Financial Statements (A) are true and correct in all material respects, (B) present fairly the financial position of the Target Companies and the results of operations of the Target Companies as of the respective dates thereof and for the periods covered thereby in all material respects, (C) were prepared based on the books and records of the Target Companies, and (D) were prepared in all material respects in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, subject (in the case of the Unaudited Financial Statements and the Monthly Financial Statements only) to the exclusion of footnotes (none of which if presented would materially differ from those presented in the Audited Financial Statements), and normal year-end adjustments and other presentation items, which in each case, are not, individually or in the aggregate, material to the Target Companies and have not resulted from breaches of contract, breach of warranty, tort, infringement or misappropriation.

(b) The Target Companies maintain a system of internal accounting controls designed to provide reasonable assurance that in all material respects: (i) the Target Companies’ business is operated in accordance with management’s general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements (including the Financial Statements) in accordance with GAAP, (iii) access to assets is permitted only in accordance with management’s general or specific authorization, (iv) the control objectives have minimized the risk of financial misstatement, and (v) all material information concerning the Target Companies is made known on a timely basis to the individuals responsible for the preparation of the Financial Statements. For the past three years, none of the Target Companies (nor, to the Knowledge of Ghost Lifestyle, any director, officer, non-officer employee, external auditor, external accountant or similar authorized representative of any Target Company) has received or otherwise been made aware of any written or oral complaint, allegation, assertion or claim from any external auditor, Governmental Authority or other Person regarding the accounting or auditing practices, procedures, methodologies or methods of the Target Companies or their respective internal accounting controls, including any complaint, allegation, assertion or claim that any Target Company has engaged in questionable accounting or auditing practices.

(c) All accounts, notes and other receivables of the Target Companies reflected on the Financial Statements, and all accounts, notes and other receivables arising from or otherwise relating to any Target Company have arisen from bona fide, arm’s length transactions in the Ordinary Course of Business and are reasonably recognized in the aggregate amount thereof and are not subject to any setoffs or counterclaims.

(d) All accounts, notes and other payables and notes payable of the Target Companies reflected on the Financial Statements, and all accounts, notes and other payables

arising from or otherwise relating to any Target Company have arisen from the purchase of goods and services in the Ordinary Course of Business, and accurately reflect, in all material respects, all amounts owed by the Target Companies with respect to trade accounts due and other payables as of the dates of the Financial Statements, as applicable. The charges, accruals and reserves on the books of the Target Companies in respect of the accounts payable as of the dates of the Financial Statements were calculated in accordance with the GAAP.

Section 3.08 Absence of Changes.

(a) From December 31, 2023, there has not been any Material Adverse Effect or any changes, events, facts, conditions, events or occurrences that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Except for the sale process for the Target Companies as contemplated by this Agreement and as set forth on Schedule 3.08(b), from December 31, 2023, the Target Companies have been operated in the Ordinary Course of Business in all material respects. Without limiting the generality of the foregoing, from December 31, 2023, except as set forth on Schedule 3.08(b), the Target Companies have not:

(i) (A) accelerated, terminated, renewed, materially modified or amended, settled material claims or waived material rights under or canceled any Material Contract or Lease or (B) entered into any Contract that is or would be a Material Contract or Lease if it were in effect as of the date of this Agreement, in each case of items (A) and (B), except as expressly provided in Section 3.08(b)(iv);

(ii) entered into any Contract which contains a provision that would require consent of, or payment to, any party or parties thereto in connection with the Transactions;

(iii) experienced any damage, destruction, or loss to any of its assets or property involving at least [***] per occurrence and not covered by insurance;

(iv) other than as required by the terms of any Employee Benefit Plan or PEO Plan as in effect on the date of this Agreement: (1) made or granted, or agreed to make or grant, (x) any bonus or other incentive arrangement or severance or termination pay to any current or former employee, director, officer or individual independent contractor or (y) any wage, salary, compensation or benefit increase or decrease with respect to a current employee, director, officer or individual independent contractor; (2) taken any action to amend, terminate, enter into, establish or adopt any Employee Benefit Plan (or any plan, program, agreement, or arrangement that would be an Employee Benefit Plan if in effect as of the date hereof) or accelerate the time of payment, vesting or funding of any compensation or benefits thereunder or otherwise; (3) made any changes to its executive management structure or any other employee structure, including the hiring of additional officers and employees or the termination of existing officers or employees; or (4) entered into any collective bargaining agreement;

(v) implemented or announced any employee layoffs, furloughs, reductions in force, plant closings, material reductions in compensation or other similar actions that triggered compliance with the WARN Act;

(vi) waived or released any noncompetition, non-solicitation, nondisclosure or other restrictive covenant obligation of any current or former employee or individual independent contractor of any Target Company;

(vii) made, or committed to make, any capital expenditure (or series of related capital expenditures) involving more than [***] individually or more than [***] in the aggregate;

(viii) directly or indirectly, whether in a single transaction or a series of transactions, made, or committed to make, any capital investment in or any loan to, any Person (other than the Target Companies);

(ix) directly or indirectly, whether in a single transaction or a series of transactions, made, or committed to make, any acquisition of the securities, business or assets of, any other Person, whether by merger, consolidation, equity purchase, asset purchase, or otherwise;

(x) made any change in any method of accounting or accounting practice or policy, other than such changes required by GAAP or pursuant to any pronouncements issued by the Financial Accounting Standards Board;

(xi) (A) made, revoked or amended any material Tax election, (B) adopted or changed any method of Tax accounting, (C) entered into any Tax allocation or Tax sharing agreement or closing agreement relating to material Taxes (other than customary indemnification provisions contained in commercial contracts entered into in the Ordinary Course of Business and not relating primarily to Taxes), (D) entered into a settlement or compromise of any material Tax audit, (E) conceded any claim or assessment in respect of material Taxes, (F) surrendered any right to claim a material refund of Taxes, (G) filed any amended material Tax Return, or (H) consented to any extension or waiver of the statute of limitations period applicable to material Taxes;

(xii) issued, transferred, pledged or sold, subjected to any Lien, or otherwise disposed of any of its equity interests or any securities convertible into or exercisable for its equity interests, or granted any equity or equity-based interests (including profits interests) or any options or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of their respective equity interests;

(xiii) redeemed, purchased, or otherwise acquired any of its equity interests (other than redemptions or repurchase of such equity interests pursuant to and in accordance with the terms of any incentive equity plan, as in effect on the date hereof);

(xiv) (A) declared, authorized, set aside for payment, or paid any dividend on, or made any other distribution in respect of, any of its equity interests, other than dividends or distributions to pay Taxes or (B) adjusted, split, combined, subdivided or reclassified any of its equity interests;

(xv) engaged in, authorized, entered into or adopted any plan or agreement of complete or partial liquidation or dissolution, restructuring, recapitalization or other reorganization or the filing of a petition in bankruptcy or consent to the filing of any bankruptcy petition against it;

(xvi) incurred, assumed, or guaranteed any Indebtedness other than Indebtedness that is incurred in connection with draws under the Ghost L.L.C. Loan Agreement and the Ghost Beverages Loan Agreement (each as defined in the Disclosure Schedules) or otherwise in an amount less than [***] in the aggregate (without factoring in any amounts allowed pursuant to Schedule 5.01(b)(1));

(xvii) granted, subjected to, or suffered to exist any material Lien (other than a Permitted Lien) on any properties or assets of the Target Companies;

(xviii) amended the Target Company Organizational Documents;

(xix) formed any Subsidiaries of any Target Company;

(xx) directly or indirectly, whether in a single transaction or a series of transactions, disposed of, or committed to dispose of, any material tangible assets, whether by merger, consolidation, equity sale, asset sale, or otherwise, except for sales or dispositions of tangible assets including inventory in the Ordinary Course of Business;

(xxi) entered into a new line of business or abandoned or discontinued any existing line of business;

(xxii) made any changes in cash management practices in any material respect (including with respect to accounts receivable and levels of capital expenditures);

(xxiii) (A) accelerated or delayed the collection of any notes or account receivables in advance of or beyond their regular due dates or the dates when they would have been collected in the Ordinary Course of Business or (B) delayed or accelerated the payment of any accrued expense, trade payable or other Liability beyond or in advance of its due date or the date when such Liability would have been paid in the Ordinary Course of Business;

(xxiv) initiated, commenced, waived, released, assigned, settled, paid, compromised or otherwise entered into any Action;

(xxv) (A) sold, transferred, assigned or otherwise disposed of any Owned Intellectual Property Rights, (B) canceled, forfeited, abandoned, allowed to lapse, or failed to renew or failed to continue to prosecute, protect or defend any material Owned Intellectual Property Rights, (C) granted any license under any Owned Intellectual Property Rights (other than non-exclusive licenses of Intellectual Property Rights granted in the Ordinary Course of Business to manufacturers, distributors or other service providers for their provision of services to the Target Companies) or (D) subjected to any Lien (other than a Permitted Lien) any Owned Intellectual Property Rights;

(xxvi) modified any of the Privacy Policies in a manner that would materially restrict the ability of Buyer or the Target Companies to Process any Personal Information currently Processed by or on behalf of the Target Companies (beyond the restrictions then contained in such Privacy Policy), unless required otherwise by applicable Privacy Law;

(xxvii) made any voluntary or involuntary disclosure to any Governmental Authority; or

(xxviii) entered into any contract, commitment or arrangement to do any of the actions referred to in clauses (i)-(xxvii) above.

Section 3.09 Legal Compliance; Permits.

(a) Schedule 3.09(a) sets forth a true, correct and complete list of all material Permits required under applicable Laws or necessary for the operation of the business of the Target Companies (such Permits listed or required to be listed, "Material Permits") including (i) the name(s) of the permittee(s), (ii) the effective and renewal date(s), (iii) the permit number or other identification code, and (iv) the issuing agency. Each of the Target Companies is in possession of all Material Permits and is, and at all times since the Look-Back Date has been, in compliance with all Material Permits in all material respects, and all such Material Permits are in full force and effect. Each Target Company, as applicable, has timely applied for any renewals

of such Material Permits required by applicable Law or otherwise necessary for the continued operation of the business of the Target Companies. These Material Permits may be relied upon by Buyer for the lawful operation of the business of the Target Companies on and immediately after the Closing without transfer, reissuance or other governmental action. No event has occurred that, without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Material Permits, and no Action is pending that could result in the revocation, suspension, lapse or limitation of any Material Permits. All fees and charges payable to a Governmental Authority in respect of Material Permits have been timely made.

(b) Each of the Target Companies is and, since the Look-Back Date has been, in compliance in all material respects with (i) all Laws applicable to the ownership and operation of their respective assets and business, including such Laws that require the Target Companies to possess Permits, licenses, registrations and authorizations of Governmental Authorities for the current operation of their business, and (ii) such Laws related to the procurement, development, manufacture, production, packaging, labeling, storage, distribution, importation, exportation, handling, quality, safety, sale, advertising or marketing of food, including dietary supplements, and any ingredients or components thereof, including the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 *et seq.*), the Federal Trade Commission Act (15 U.S.C. § 41 *et seq.*), the Perishable Agricultural Commodities Act (7 U.S.C. § 499a *et seq.*), current Good Manufacturing Practice, and any similar state Laws, including California's Proposition 65 (Cal. Health & Safety Code § 25249.5 *et seq.*), and laws enforced, by the Food and Drug Administration ("FDA"), the U.S. Department of Agriculture ("USDA"), the Food Safety and Inspection Service ("FSIS"), the Agricultural Marketing Service ("AMS"), the Federal Trade Commission ("FTC") and any other Governmental Authority charged with enforcing, implementing, or promulgating laws related to any of the foregoing (collectively, "Food Regulatory Laws").

(c) Except as set forth on Schedule 3.09(c), none of the Target Companies' products being manufactured, assembled, sold or delivered by the Target Companies requires, any material approval of any Governmental Authority for the purpose for which they are being manufactured, assembled, sold or delivered and which approval has not been obtained.

(d) Since the Look-Back Date, (i) none of the Target Companies (A) have received or entered into any orders, material citations, complaints, consent orders, compliance schedules or other similar enforcement orders from or with any Governmental Authority; or (B) have received any other notices, including any adverse inspectional finding, penalty, fine, sanction, assessment, written request for corrective or remedial action, Warning Letter, Untitled Letter, notice of violation letter, Form FDA-483, or other written compliance or enforcement notice, by or with the FDA, USDA, FSIS, AMS, the Department of Justice, any state attorney general or any private enforcer acting as a private attorney general or any other Governmental Authority, or have been subject to any Actions that indicate or allege violation, breach of or non-compliance with any Laws, including Food Regulatory Laws, or Permits applicable to any Target Company or its business, properties or assets; and (ii) no Action related to any Target Company has been or is being conducted by any Governmental Authority and no such Action is scheduled, pending or threatened. Since the Look-Back Date, no event has occurred or circumstance or condition exists that (with or without notice or lapse of time or both) (x) would constitute or reasonably be expected to constitute or result in a breach or violation by any Target Company of, or result in a failure on the part of any Target Company to comply with, any Laws, including Food Regulatory Laws, or Permits applicable to any Target Company or its business, properties or assets, (y) may give rise to any obligation on the part of the Target Companies to undertake, or to bear all or any portion of the cost of, any remedial action of any nature, or (z) require a disclosure or report to any Governmental Authority.

(e) Neither any Target Company nor any director, officer, or employee, or third party vendor or supplier of any Target Company has violated, conspired to violate, or aided

and abetted the violation of any anti-bribery, anticorruption or anti-money laundering Laws (collectively, the “Anticorruption Laws”).

(f) There are no, and since the Look-Back Date have not been, any material quality, safety, or performance issues or complaints with respect to any Products, including any ingredients and components thereof, procured, developed, manufactured, produced, packaged, labeled, stored, distributed, imported, exported, handled, sold or marketed by the Target Companies, and there are no open corrective and preventive Actions related to any Products. There are no, and since the Look-Back Date have not been any, seizures, detentions, import alerts, recalls, market withdrawals, or similar actions conducted with respect to any Products, and no such Actions are pending or to the Knowledge of the Target Companies, threatened. The Target Companies have procured, developed, manufactured, produced, packaged, labeled, stored, distributed, imported, exported, handled, sold, and marketed each Product in compliance with all applicable Laws, including Food Regulatory Laws. None of the Target Companies, or any of their respective officers, directors, employees, contractors or agents has been convicted of any crime or engaged in any conduct that could result in debarment under 21 U.S.C. § 335a or any applicable Law, or is, or has been, debarred per the foregoing.

(g) No Target Company nor any of their respective directors, officers or, to the Knowledge of Ghost Lifestyle, employees, third party vendors or supplier is a Sanctioned Person, nor is any Target Company located, organized or resident in a Sanctioned Country. The Target Companies are currently in compliance with, and at all times within the past five years have been in compliance with, and have not engaged in any conduct sanctionable under, any applicable Sanctions.

(h) There are not now, nor have there been within the past three years, any formal or informal proceedings, allegations, investigations, or inquiries pending, expected or, to the Knowledge of Ghost Lifestyle, threatened against any Target Company or any of their respective directors, officers or employees concerning violations or potential violations of, or conduct sanctionable under, any Sanctions or Anticorruption Laws. The Target Companies have and have implemented policies and controls reasonably designed to ensure compliance with Sanctions and the Anticorruption Laws.

Section 3.10 Real Property.

(a) None of the Target Companies own any real property.

(b) Schedule 3.10(b) lists the street address or a brief description of all real property leased or subleased by the Target Companies (each, a “Leased Real Property”) and each Lease relating thereto, and such Leased Real Property comprises all of the real property used in, or held for use in, the operation of the businesses of the Target Companies and necessary to operate the businesses of the Target Companies. With respect to each parcel of Leased Real Property, except as would not be material to the Target Companies, and except as set forth on Schedule 3.10(b):

(i) all Leases are legal, valid, binding, enforceable, and in full force and effect (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors’ rights generally or by general equitable principles) free and clear of any Liens except for Permitted Liens;

(ii) none of the Target Companies is in breach or default in any material respect under any Lease.

(iii) there are no existing or pending, or to the Knowledge of Ghost Lifestyle, threatened litigation, claim, condemnation proceedings or similar Actions relating to

the Sellers or any Target Company (arising in connection with any Lease or any part of any Leased Real Property). No Person other than the applicable lessee of each Leased Real Property has any possessory interest in the Leased Real Property or right to occupy the same.

(iv) The Target Companies have not received any written or to the Knowledge of Ghost Lifestyle, oral, notice of any violations of any zoning ordinances, building codes or other governmental or regulatory Laws affecting the Leased Real Property or planned material changes in any zoning ordinances or building codes or other governmental or regulatory Laws that would, in each case, materially impair the use of the Leased Real Property by the Target Companies and, to the Knowledge of Ghost Lifestyle, there are no planned or commenced public improvements related to the Leased Real Property that could reasonably be expected to result in any material special assessments against any part of the Leased Real Property.

(v) The Target Companies have obtained all material Governmental Authorizations necessary for the present use and operation of each part of the Leased Real Property and the uses being made of such Leased Real Property are in conformity in all material respects with the certificate of occupancy and/or Governmental Authorization for such Leased Real Property, and any other recorded restrictions, covenants or other recorded instruments affecting such Leased Real Property. Except as set forth on Schedule 3.10(b), no Permit requires the Third-Party Consent of any Governmental Authority or other Person in connection with consummation of the Transactions.

(vi) The buildings and improvements on the Leased Real Property are in all material respects in good operating condition and in a state of good and working maintenance and repair, ordinary wear and tear excepted, and are in material compliance with all applicable building codes, all applicable Laws including Food Safety Modernization Act (FSMA) and its regulations, and are adequate and suitable for their current uses and purposes. There are no physical conditions or defects on any part of the Leased Real Property that would materially impair or would be reasonably expected to reasonably impair the continued operation of the businesses of the Target Companies at each such Leased Real Property. There have been no recent material casualties affecting the Leased Real Property or material open insurance claims or settlements related thereto. There are no planned or required substantial expenditure in relation to the Leased Real Property.

(vii) Each part of the Leased Real Property has adequate rights of access to dedicated public ways and is served by water, electric, sewer, sanitary sewer and storm drain facilities, in each case to the extent reasonably necessary for the operation, use and occupancy of such Leased Real Property as currently operated and used.

(viii) There are no rights of first refusal, options to purchase, purchase agreements, contracts for deed or installment sale agreements in effect with respect to all or any part of the Leased Real Property.

(ix) There are no contracts or agreements for proposed or pending lease or construction of facilities by or on behalf of the Target Companies.

(x) Neither Sellers nor any Target Company has received or provided any written notice of any event or occurrence that has resulted or would reasonably be expected to result (with or without the giving of notice, the lapse of time or both) in a default with respect to any such Leases.

(xi) All rent (including base and additional rent) due and payable under each Lease has been paid to date.

(xii) No security deposit or portion thereof deposited with respect to any Lease has been applied in respect of a breach or default by any Target Company under such Lease which has not been redeposited in full.

(xiii) There are no leases, sublease, licenses, concessions or other Contracts granting any Person other than a Target Company the right to use or occupy such Leased Real Property or any part thereof, and other than the Target Companies, there are no Persons in possession of such Leased Real Property.

(c) Except as set forth on Schedule 3.10(c), no Lease requires the Third-Party Consent of the landlord thereunder or any other party to the Leases or any other party to the Transactions.

Section 3.11 Tax Matters.

(a) The Target Companies have properly and timely filed (taking into account extensions) with the appropriate Governmental Authorities all Income Tax Returns and all other material Tax Returns which are required to be filed by them. All such Tax Returns are true, correct and complete in all material respects. All material Taxes due and owing by the Target Companies, whether or not shown on any Tax Return, have been timely paid in full. The Target Companies are not currently the beneficiary of any extension of time within which to file any Tax Return that has not been filed (other than ordinary course extensions). The Financial Statements reflect proper accruals for all current Taxes of the Target Companies that are unpaid or payable as of the Reference Balance Sheet Date, and the Target Companies have not incurred any liability for Taxes since the Reference Balance Sheet Date other than in the Ordinary Course of Business consistent with amounts incurred and paid with respect to the most recent comparable prior period (adjusted for ordinary course changes in operations). There are no Liens for any Taxes (other than Permitted Liens) on any of the assets of the Target Companies.

(b) All material Taxes that the Target Companies were required to withhold or collect have been timely withheld or collected and have been paid over in the appropriate amounts to the proper Governmental Authorities, and the Target Companies have complied with all material reporting requirements (including maintenance of required records with respect thereto) with respect to such payments.

(c) The Target Companies have not received any notice of assessment or proposed assessment, deficiency, claim, adjustment or proposed adjustment or any other notice indicating an intent to open an audit or other review in connection with any Taxes, which notice has not been satisfied by payment or been withdrawn, and there are no pending audits, examinations, or administrative or judicial proceedings regarding any Taxes of the Target Companies.

(d) None of the Target Companies has current waivers or extensions in effect with respect to any statute of limitations in respect of any Taxes or has agreed to a Tax assessment or deficiency that has not been paid or otherwise satisfied.

(e) Each Target Company has collected all material sales, use, value-added, and similar Taxes required to be collected, and has remitted, or will remit, on a timely basis such amounts to the appropriate Governmental Authority. Each Target Company has, in all material respects, properly requested, received and retained all necessary exemption certificates and other documentation supporting any claimed exemption or waiver of Taxes on sales or similar transactions as to which it would otherwise have been obligated to collect or withhold such Taxes.

(f) None of the Target Companies (i) is a resident for Tax purposes in a country outside of its country of incorporation; (ii) has, or has ever had, a permanent establishment or other taxable presence in any country other than its jurisdiction of incorporation; (iii) is, or has ever been, subject to income Tax in a jurisdiction outside its country of incorporation, (iv) has ever had a claim made against it by a Governmental Authority in a jurisdiction where the Target Company does not file Tax Returns of a particular type that such Target Company may be subject to taxation of such type by that jurisdiction, and (v) is other than a “United States person” or disregarded as separate from a “United States person” within the meaning of Section 7701(a)(30) of the Code.

(g) None of the Target Companies (i) has any liability for any material Tax of any Person other than the Target Companies, including under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or non-U.S. law), as transferee or successor, or by contract (other than agreements whose principal purpose is not related to tax), or (ii) has been a member of an affiliated group filing consolidated income or franchise Tax Returns (except for the group of which a Target Company is the common parent) for federal, state or non-U.S. Tax purposes.

(h) None of the Target Companies will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any Tax period (or portion thereof) ending after the Closing Date as a result of (i) any installment sale or open transaction disposition made prior to the Closing, (ii) any prepaid amount received prior to the Closing, (iii) any “closing agreement,” as described in Section 7121 of the Code (or any corresponding provision of Law) entered into prior to the Closing, (iv) a change in the method of accounting occurring prior to the Closing (including an adjustment under Section 481 of the Code), (v) any use of an improper method of accounting occurring prior to the Closing or (vi) election pursuant to Section 965(h) of the Code.

(i) None of the Target Companies is, or has been, a party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar contract (other than customary indemnification provisions contained in commercial contracts entered into in the Ordinary Course of Business and not relating primarily to Taxes).

(j) None of the Target Companies “participates” or has “participated” in any “listed transaction” within the meaning of Treasury Regulation Section 1.6011-4(b).

(k) Less than 50% of the value of the gross assets of each Target Company consists of “U.S. real property interests,” and less than 90% of the value of the gross assets of each Target Company consists of “U.S. real property interests” plus “cash or cash equivalents,” in each case, within the meaning of Treasury Regulations Section 1.1445-11T.

(l) No Target Company has within the two years prior to Closing or otherwise as part of a “plan” or “series of related transactions” (within the meaning of Section 355(e) of the Code) with any of the Contemplated Transactions, constituted either a “distributing corporation” or a “controlled corporation” in a distribution of stock intended to qualify for tax-free treatment under Sections 355 and 361 of the Code.

(m) The Target Companies are, and since the Look-Back Date have been, in compliance in all material respects with all transfer pricing requirements in all jurisdictions in which the Target Companies do business. None of the transactions between the Target Companies and other related Persons is subject to any material adjustment, apportionment, allocation nor recharacterization under any Law, and all such transactions have been effected on an arm’s length basis.

(n) The Target Companies are not, and since the Look-Back Date have not been, subject to any limitations under Section 197(f)(9) of the Code on their ability to amortize any intangible of the Target Companies described in Section 197 of the Code, and no assets of the Target Companies constitute “Section 197(f)(9) intangibles” within the meaning of Treasury Regulations Section 1.197-2(h)(1)(i).

(o) The Target Companies have no Liability pursuant to any unclaimed property or escheat Law.

(p) Schedule 3.11(p) includes a list of all entities for which an election has been made under Treasury Regulation Section 301.7701-3, as well as the U.S. federal tax status of such entity and the effective date of such election.

(q) Schedule 3.11(q) lists: (i) all jurisdictions in which any Target Company pays Income Taxes or other material Taxes and/or has a duty to file Income Tax Returns or other material Tax Returns; and (ii) all types of material Tax Returns filed by or on behalf of any Target Company.

(r) None of the Target Companies has applied for or received any employee retention credit under the CARES Act.

Section 3.12 Intellectual Property.

(a) Schedule 3.12(a) identifies a true and complete list of (i) each item of active Registered IP that is owned or purported to be owned by the Target Companies, including the record owner (and the legal owner if different), application or registration date, the jurisdiction in which such Registered IP has been registered or filed and the applicable registration or serial number and (ii) material unregistered Trademarks owned or purported to be owned by the Target Companies. With respect to each item of Registered IP listed on Schedule 3.12(a): (x) all necessary registration, maintenance and renewal fees due as of the date hereof have been paid, and all necessary documents and certificates have been filed with United States Patent and Trademark Office or equivalent authority or registrar anywhere in the world due as of the date hereof for the purposes of maintaining or renewing such Registered IP and recording and perfecting the Target Companies’ ownership therein and (y) each such item is subsisting, valid and enforceable. Except as set forth on Schedule 3.12(a), no action, filing or payment must be taken or made on or before the date that is 120 days after the date of this Agreement in order to maintain each item of such Registered IP.

(b) All Trademarks included in the Owned Intellectual Property Rights are currently being used by the Target Companies (or for those subject to intent-to-use applications, the Target Companies have a good faith intent to use the same in commerce in the future) and there has been no use of any such Trademarks that are material to the business of the Target Companies or any Trademarks confusingly similar thereto by any other Person which would confer upon such other Person superior rights in such Trademarks for the goods and services for which they are used by the Target Companies.

(c) The Target Companies solely and exclusively own all of the Registered IP set forth on Schedule 3.12(a) and all other Owned Intellectual Property Rights free and clear of any Lien (other than Permitted Liens).

(d) Except as set forth on Schedule 3.12(d), the Target Companies own free and clear of any Lien other than Permitted Liens, or have a valid license or other permission to use, all of the Intellectual Property Rights used in or necessary for the operation of the business of the Target Companies as currently conducted.

(e) Except as set forth on Schedule 3.12(e), the operation of the Target Companies' business has not infringed, misappropriated or otherwise violated in the last six (6) years, and as presently conducted is not infringing, misappropriating or otherwise violating, any Intellectual Property Rights or rights of publicity or moral rights of any third party, and, to the Knowledge of Ghost Lifestyle, no third party has infringed, misappropriated or otherwise violated in the last six (6) years, or is infringing, misappropriating or otherwise violating, any Owned Intellectual Property Rights.

(f) No Action is pending or, to the Knowledge of Ghost Lifestyle, threatened against the Target Companies alleging that any of the Target Companies has been or is infringing, misappropriating or otherwise violating any Intellectual Property Rights or rights of publicity of any Person or that challenges the ownership, scope, validity or enforceability of any Owned Intellectual Property Rights (including any interference, opposition, reissue or reexamination but excluding non-final rejections and objections issued by the U.S. Patent and Trademark Office, U.S. Copyright Office or any similar Governmental Authority in the ordinary course of prosecution of the Target Companies' applications for Registered IP) and no notice has been received by a Target Company (including invitations to license or case-and-desist or indemnity claims) in the last six (6) years relating to any infringement, misappropriation or violation of Intellectual Property Rights or rights of publicity or moral rights of any Person. None of the Target Companies have sent a notice (including invitations to license or any case-and-desist or indemnity claims) to any Person contesting the validity, enforceability or ownership of any Intellectual Property Rights owned by such Person, or alleging that the conduct of any Person is infringing, misappropriating or otherwise violating any Owned Intellectual Property Rights. There have been and are no indemnification claims asserted in against the Target Companies in the last six (6) years in connection with any alleged infringement, misappropriation or other violation of Intellectual Property Rights, nor have there been any threats thereof.

(g) All Persons who have authored, developed or conceived (in each case, whether solely or jointly with others) any material Intellectual Property Rights for or on behalf of any Target Company, or otherwise within the scope of their employment or engagement with a Target Company, have done so pursuant to an agreement that protects the confidential information and Trade Secrets of the Target Companies and assigns (pursuant to a present-tense assignment) to one of the Target Companies all right, title, and interest of such Person in all such Intellectual Property Rights.

(h) The Target Companies have taken commercially reasonable measures to protect the confidentiality, secrecy and value of the material Trade Secrets included in the Owned Intellectual Property Rights, including by requiring each Person with access to such Trade Secrets to execute a binding confidentiality agreement, and in the last six (6) years there has been no breach of any such confidentiality agreement nor any other loss, misappropriation or misuse of any such Trade Secrets

(i) The execution of this Agreement and the consummation of the Transactions will not (i) result in the loss, termination, or impairment of, or imposition of any Lien on, any material rights to any Owned Intellectual Property Rights or any other Intellectual Property Rights currently used or held for use by the Target Companies, (ii) result in the release, disclosure or delivery of any Owned Intellectual Property Rights to any Person, (iii) cause the Target Companies or Buyer or its Affiliates to grant to any third party any right to any Intellectual Property Rights, or (iv) cause the Target Companies or Buyer or its Affiliates to be obligated to pay any royalties or other fees or consideration with respect to Intellectual Property Rights of any third party in excess of those payable pursuant to the licenses set forth on, or required to be set forth on, Section 3.13(a)(x) by the Company or any of its subsidiaries in the absence of this Agreement or the Transactions.

Section 3.13 Contracts and Commitments.

(a) Schedule 3.13(a) sets forth a true, correct and complete list as of the date of this Agreement of each of the following Contracts to which a Target Company is a party:

(i) any employment or engagement agreement with any current officer, individual independent contractor, or employee of the Target Companies that provides for a base salary or annual fees by any Target Company in excess of [***] per annum and is not terminable upon notice of 90 days or less for a cost of less than [***];

(ii) any collective bargaining agreement;

(iii) any Contract with any officer, employee, individual consultant or individual independent contractor with respect to change of control or severance arrangements;

(iv) any Contract or series of related Contracts with customers, suppliers or vendors of the Target Companies for the purchase or sale of goods or services involving annual payments in excess of [***] per year, per Contract or series of related Contracts, which cannot be cancelled by a Target Company without payment or penalty upon notice of 30 days or less;

(v) any Contract with a customer or supplier listed on Schedule 3.22;

(vi) any Contract containing (A) a covenant not to compete, not to solicit, or similar covenants or restrictions granted by a Target Company, with respect to any geographic area, business or market, (B) exclusivity arrangements, rights of first refusal, rights of first offer or rights of first negotiation, "most favored nation" clauses or similar provisions binding any of the Target Companies or (C) a minimum purchase or volume requirements or other "take or pay" provision;

(vii) any joint venture agreement or similar Contract involving the sharing of profits or revenue based on equity ownership;

(viii) any Contract for capital expenditures by any Target Company, individually in excess of [***], or in the aggregate in excess of [***] within such Contract;

(ix) any Contract providing for, directly or indirectly, whether by merger, consolidation, stock purchase or stock sale, asset purchase or asset sale, or otherwise: (A) the acquisition of any securities, business or material amount of assets of another Person valued at an amount exceeding [***]; or (B) the disposition of any securities, material assets, or business valued at an amount exceeding [***].

(x) any Contract pursuant to which any Target Company (A) grants a third party a license or any right in or to any Owned Intellectual Property Rights (including through covenants not to sue, non-assertion provisions or releases), other than non-exclusive licenses granted in the Ordinary Course of Business to manufacturers, distributors or other service providers for their provision of services to the Target Companies, or (B) receives a license or any right to use any third party Intellectual Property Rights (including through covenants not to sue, non-assertion provisions or releases), other than non-exclusive licenses for commercially available, non-customized, "off-the-shelf" software in object code form, in each case, with total annual fees of [***] or less;

(xi) any Contract under which a Target Company is (A) a lessee of, or holds or uses, any machinery, equipment, vehicle or other tangible personal property owned by a third party or (B) a lessor or sublessor of, or makes available for use by any third party, any

tangible personal property owned or leased by a Target Company, in each case which provides for future payments by or to the Target Companies in excess of [***] per annum;

(xii) any Contract that provides for the indemnification or assumption of any Liability of any Person other than customary indemnification provisions in agreements entered into in the Ordinary Course of Business;

(xiii) any hedging, swap, derivative, or similar Contract;

(xiv) any nondisclosure agreement, confidentiality agreement or other similar Contract, other than as entered into in the Ordinary Course of Business;

(xv) any settlements, conciliations or other similar Contracts that involve any payment of a material amount or that impose any material non-monetary obligation on any Target Company;

(xvi) any insurance policy listed on Schedule 3.14;

(xvii) any Contract under which a Target Company has loaned or borrowed any money or issued any note, indenture or other evidence of Indebtedness or guaranteed Indebtedness of others (other than intercompany Indebtedness, endorsements for the purpose of collection, loans made to employees for relocation, travel or other employment related purposes or purchases of equipment or materials made under conditional sales contracts, in each case in the Ordinary Course of Business), in each case having an outstanding principal amount in excess of \$250,000;

(xviii) any Leases for Leased Real Property; or

(xix) any Related Party Arrangement;

(xx) any Contract between any Target Company and any Governmental Authority;

(xxi) any Contract granting power of attorney or other similar grant of agency;

(xxii) any Contract which provides for future payments by a Target Company in excess of [***] per annum (other than warranty obligations in the Ordinary Course of Business, purchase orders, and Leases);

(xxiii) any Contract with a term exceeding three years that is not terminable without penalty, loss or other Liability by the applicable Target Company giving notice of [***] or less and that is material to the business of a Target Company; and

(xxiv) any other Contract that is material to the business of the Target Companies that is not required to be disclosed pursuant to the foregoing clauses.

(b) Ghost Lifestyle has delivered to, or made available for inspection by, Buyer a true and complete copy of each Contract listed or required to be listed on Schedule 3.13(a) (along with all amendments, supplements, schedules, attachments or appendices thereto) (collectively, the “Material Contracts”). Except as disclosed on Schedule 3.13(b), each Target Company and, to the Knowledge of Ghost Lifestyle, each counterparty thereto has each performed all obligations required to be performed by it under the Material Contracts to which it is a party and is not (with or without the lapse of time or the giving of notice, or both) in breach or default thereunder, except for failures to perform or any

such breach or default that would not, individually or in the aggregate, be material to the Target Companies. Each Material Contract is a valid and legally binding obligation of the Target Companies party thereto and, to the Knowledge of Ghost Lifestyle, each counterparty thereto, as applicable, enforceable in accordance with its terms and conditions (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or by general equitable principles). The Target Companies have received no notice that any counterparty to any Material Contract has or, to the Knowledge of Ghost Lifestyle, intends to terminate, cancel or materially alter its relationship with the Target Companies.

Section 3.14 Insurance. Schedule 3.14 contains a true, correct and complete list of each insurance policy owned, maintained or held by the Target Companies with respect to the properties, assets, business, operations and employees of the Target Companies as well as (x) a list of all material pending claims (including workers' compensation claim) under any such insurance policy and (y) the claims history for each Target Company to the extent involving claims in excess of [***]. Each such insurance policy (a) is legal, valid, binding and in full force and effect and no Target Company is in default in any material respect regarding its obligations under any of such insurance policies, and (b) is of the type and amount customary for businesses of similar size, in the geographic regions and in the same industry as each applicable Target Company and is sufficient for compliance with all applicable Laws and Contracts to which such applicable Target Company is a party or by which it is bound. The amounts due for premiums with respect thereto covering all periods up to the date hereof and as of the Closing Date have been paid in accordance with their terms, and no written notice of cancellation, non-renewal, premium increase, alteration of coverage, or termination has been received by any Target Company with respect to such policy. No insurer under any such policy has delivered a notice alleging any breach or default under any such policy, or questioned, disputed or denied, or to the Knowledge of Ghost Lifestyle, threatened to send such notice, or question, dispute or deny any material claim under such policy. All claims, incidents, wrongful acts or occurrences for which any Target Company reasonably expects to obtain coverage under any such policy have been reported to the applicable underwriter in accordance with the requirements of the applicable policy.

Section 3.15 Litigation. Except as set forth on Schedule 3.15, there is no, and since the Look-Back Date has not been any, Action, settlement or order by or before any Government Authority or by or on behalf of any third party pending or, to the Knowledge of Ghost Lifestyle, threatened against any of the Target Companies or any Affiliate of any Target Company (a) involving an amount greater than [***] or materially affecting any properties or assets of the Target Companies or their respective directors, officers or employees (in their capacity as such) or (b) that challenges or seeks to prevent, enjoin, delay or restrain the ability of any Target Company to enter into this Agreement or any Ancillary Agreement or to perform its obligations hereunder and consummate the Transactions. To the Knowledge of Ghost Lifestyle, no event has occurred or circumstances exist that would reasonably be expected to give rise to, or serve as a basis for, any such Action or order.

Section 3.16 Assets.

(a) Ownership of Assets. Each of the Target Companies has sole and exclusive, good and marketable title to, or, in the case of property held under a lease or other contract, an enforceable leasehold interest in, or right to use, all of its material properties, material rights and material assets (excluding Intellectual Property Rights, which shall be exclusively the subject of Section 3.12), whether real or personal and whether tangible or intangible (collectively, the "Assets"). The tangible Assets are in good working order and adequate for the use of such Assets in the Ordinary Course of Business of the Target Companies (subject to normal wear and tear). No Person other than the Target Companies owns any

tangible or intangible assets or properties necessary to operate the business of the Target Companies as currently conducted except for items leased pursuant to Contracts.

(b) Sufficiency of Assets. The Assets comprise all of the assets, properties and rights of every type and description (excluding Intellectual Property Rights, which shall be exclusively the subject of Section 3.12), whether real or personal, tangible or intangible, currently used in and material to the operation of the business of the Target Companies as currently conducted and as proposed to be conducted and are sufficient for the continued conduct of the operation of the business of the Target Companies as presently conducted and immediately following the Closing, will be sufficient for the conduct of the operation of the business of the Target Companies by Buyer in substantially the same manner as currently conducted and as proposed to be conducted.

Section 3.17 Labor Matters.

(a) The Target Companies have made available to Buyer a true and complete list of all current employees of each Target Company as of the date hereof listed by name (to the extent permitted by applicable Law and otherwise by employee identification number), which shall include each individual's (i) job title; (ii) primary work location; (iii) hourly wage or base salary (as applicable); (iv) cash incentive compensation for the current calendar year; (v) exempt or non-exempt status; (vi) active or inactive status (and as applicable, type of leave and anticipated return date); (vii) full-time or part-time status; (viii) union or non-union status; (x) date of hire; and (ix) employing entity. The Target Companies have made available to Buyer true and complete copies of agreements with individual independent contractors performing services as of the date hereof or, where such written agreements are not reasonably available, a summary of such independent contractors by name (to the extent permitted by applicable Law and otherwise anonymously), which shall include (A) the dates of engagement and rates of pay for each such individual as of the date hereof, (B) location of service and (C) type of services performed.

(b) Except as set forth on Schedule 3.17(b), (i) none of the Target Companies is party to or bound by any collective bargaining agreement or collective bargaining relationship with respect to employees with any labor organization and no employees of the Target Companies are represented by any labor union, works council, or other labor organization; (ii) there are no ongoing or, to the Knowledge of Ghost Lifestyle, threatened union organization activities relating to the employees of any of the Target Companies, and no such activities have occurred for the last three years; and (iii) there are no pending or, to the Knowledge of Ghost Lifestyle, threatened strikes, work stoppages, walkouts, lockouts, unfair labor practice charges, material labor arbitrations, material labor grievances, or other material labor disputes involving any of the Target Companies, and no such disputes have occurred for the last three years. With respect to the Transactions, any notice to employees of the Target Companies or their representatives required under a collective bargaining agreement or applicable Law has been provided, and all bargaining, consultation or similar obligations to the Target Companies' employees or their representatives required under a collective bargaining agreement or applicable Law have been satisfied.

(c) Each of the Target Companies are, and for the last three years have been, in compliance in all material respects with all Laws relating to labor and employment, including but not limited to applicable Laws relating to employment practices, terms and conditions of employment, wages and hour requirements, immigration, fair labor standards, wrongful discharge, retaliation, "whistleblower" rights, family and medical leave, meal and rest breaks, pay equity, equal opportunity, employment discrimination, disability rights, plant closure or mass layoff issues, affirmative action, leaves of absence, occupational health and safety, workers' compensation and unemployment insurance, collective bargaining and the payment of social security and other Taxes.

(d) Within the past 90 days, none of the Target Companies have implemented any employee layoffs or plant closures that gave rise to notice or payment obligations under the WARN Act, and no such activities have been announced or are planned as of the date hereof.

(e) The Target Companies have fully and timely paid or properly accrued on the financial statements of the applicable Target Company all wages, salaries, wage premiums, commissions, bonuses, severance and termination payments, fees, and other compensation that has come due and payable to their current or former employees and individual independent contractors under applicable Laws, contracts or company policy; each individual who is providing or during the last three years has provided services to the Target Companies and is or was classified and treated as an independent contractor, consultant, leased employee, or other non-employee service provider, is and has been properly classified and treated as such for all applicable purposes in all material respects. Each individual who is providing or during the last three years has provided services to the Target Companies is and has been properly classified as exempt or non-exempt and treated as such for all applicable purposes in all material respects as of the date hereof.

(f) No current employee of the Target Companies who is an officer or Key Employee has provided written notice of such individual's intent to terminate his or her employment in connection with the Transactions, and to the Knowledge of Ghost Lifestyle, no current employee of the Target Companies who is an officer or Key Employee intends to terminate his or her employment in connection with the Transactions.

(g) All employees, officers, directors and individual service providers of the Target Companies are authorized to work in the United States, and for each such individual the Company has properly completed and maintained (in all material respects) forms I-9. In the last three years, the Target Companies have not been the subject of any material audit or proceeding from the United States Department of Homeland Security (including Immigration and Customs Enforcement (or any predecessor thereto, including the United States Customs Service or the Immigration and Naturalization Service)), the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, or any other immigration related enforcement proceeding. No employee of any Target Company is currently engaged through or requires any immigrant or non-immigrant visa, work permit or employment pass.

(h) For the last three years, no allegations of sexual or other harassment have been made against any employee, officer, director or individual service provider of the Target Companies in such individual's capacity as an employee, officer, director or individual service provider of the Target Companies and none of the Target Companies have entered into any settlement, consent decree or other agreement resolving such allegations.

(i) There are, and for the last three years there have been, no Actions pending or, to the Knowledge of Ghost Lifestyle, threatened in writing against any of the Target Companies concerning or relating to any labor, safety or employment matters, or alleging violations of any Laws described in Section 3.17(c).

Section 3.18 Employee Benefits.

(a) Schedule 3.18 contains a list of each material Employee Benefit Plan and separately identifies each such Employee Benefit Plan that is sponsored by a professional employer organization for which any Target Company participates in, to which any Target Company contributes to, or for which any Target Company may have any Liability (each, a "PEO Plan"). The Target Companies have furnished copies of any such Employee Benefit Plans, any related service or trust agreements or other funding instruments, the most recent IRS determination or opinion letter, if applicable, summary plan descriptions and each such

Employee Benefit Plan's most recent financial statements and Form 5500 annual report (including attached schedules) to Buyer.

(b) Each Employee Benefit Plan, and to the Knowledge of Ghost Lifestyle, each PEO Plan, has been funded, maintained and administered, in form and operation, in material compliance with its terms and all applicable Laws, including the requirements of ERISA and the Code. Any Employee Benefit Plan and to the Knowledge of Ghost Lifestyle, any PEO Plan, that is intended to be "qualified," within the meaning of Section 401(a) of the Code, has received a favorable determination or opinion letter from the IRS and to the Knowledge of Ghost Lifestyle, no events have occurred that would reasonably be expected to adversely affect such qualified status.

(c) None of the Target Companies have any current or potential obligation to provide post-employment or post-termination health, life or other welfare benefits other than as required under Section 4980B of the Code or any similar applicable Law, the full cost of which is borne by the retired or former employee or their beneficiary.

(d) Neither the execution and delivery of this Agreement nor the consummation of the Transactions could, either alone or in conjunction with any other event, directly or indirectly, reasonably be expected to (i) accelerate the time of the payment, funding or vesting of, or increase the amount of, or result in the forfeiture of, compensation or benefits under any Employee Benefit Plan or otherwise, (ii) result in any payment (whether in cash, property or the vesting of property), benefit or other right becoming due to any current or former employee, officer, director or individual independent contractor under any Employee Benefit Plan or otherwise, or (iii) result in an obligation to fund or otherwise set aside assets to secure to any extent any of the obligations under any Employee Benefit Plan.

(e) Each Employee Benefit Plan that constitutes a "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) has been operated and maintained, in form and operation, in accordance in all material respects with Section 409A of the Code and applicable guidance of the Department of Treasury and IRS. No amount under any such Employee Benefit Plan is or has been subject to the interest and additional tax set forth under Section 409A(a)(1)(B) of the Code. None of the Target Companies have any obligation to gross-up, indemnify or otherwise reimburse any individual with respect to any Tax, including under Sections 409A or 4999 of the Code. None of the Target Companies are a party to any contract or plan that has resulted or could result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Code Section 280G (or any corresponding provision of state, local or non-U.S. Tax law) as a result of the Transactions.

(f) Each of the Target Companies has made all contributions and paid all premiums, or such contributions have been properly accrued in accordance with GAAP, in respect of each Employee Benefit Plan and any PEO Plan in a timely fashion in accordance with the terms of each Employee Benefit Plan and applicable Laws.

(g) None of the Target Companies have engaged in any transaction with respect to any Employee Benefit Plan that would be reasonably likely to subject such Person to any material Tax or penalty imposed by Section 4975 of the Code.

(h) There is no pending or, to the Knowledge of Ghost Lifestyle, threatened Action (other than any routine claim for benefits) with respect to any Employee Benefit Plan or, to the Knowledge of Ghost Lifestyle, any PEO Plan that would result in material liability to any of the Target Companies.

Section 3.19 Environmental Matters. Except as set forth on Schedule 3.19:

(a) The Target Companies are and, for the past five years, have been in material compliance with Environmental Requirements and the Company does not anticipate that any pending Environmental Requirements will require material changes or limitations on the activities and operations of the Target Companies.

(b) The Target Companies possess and, for the past five years, have possessed, all material Governmental Authorizations required pursuant to Environmental Requirements. The Target Companies are, and for the past five years, have been in compliance with all such Governmental Authorizations in all material respects.

(c) The Target Companies' actions have not caused a release of Hazardous Materials on the Leased Real Property or any other property, except for such releases that would not reasonably be expected to have a Material Adverse Effect and there has been no release of or exposure to any Hazardous Materials on or from any property currently, or to the Knowledge of Ghost Lifestyle, formerly owned, leased or operated by the Target Companies, that would reasonably be expected to result in material Liability or a requirement for notification, investigation or remediation by any Target Company under any Environmental Requirements.

(d) No Target Company has received any written notice alleging material noncompliance by the Target Companies with respect to any Environmental Requirements, and there is no proceeding or information request pending or, to the Knowledge of Ghost Lifestyle, threatened against the Target Companies either pursuant to Environmental Requirements or arising from the release or presence of or exposure to Hazardous Materials.

(e) No Target Company is a party to any Order pursuant to Environmental Requirements which imposes ongoing obligations on a Target Company, and no Liens pursuant to Environmental Requirements are imposed on the Leased Real Property, and to the Knowledge of Ghost Lifestyle, no such Order or Liens have been threatened against any Target Company.

(f) None of the Target Companies or any of their ERISA Affiliates maintains, sponsors, contributes to or has any liability with respect to any "employee pension benefit plan" (as defined in Section 3(2) of ERISA) that is subject to Title IV of ERISA, including any "multiemployer plan" (as such term is defined under Section 3(37) of ERISA).

(g) The Target Companies have delivered to the Buyer all material written reports, including Phase I environmental site assessment reports and Phase II reports, and environmental compliance audits each in the possession, control or custody of the Target Companies related to environmental, health or safety matters or Hazardous Materials and any material documents related to any pending or threatened proceeding involving the Leased Real Property or the Target Companies.

(h) None of the inventory (whether raw materials, work-in-process or finished goods) of any Target Company is affected by any environmental condition, and there has been no activity or failure to take any action by any Target Company, in each case that would reasonably be expected to result in Liability under any Environmental Requirements.

Section 3.20 Affiliate Transactions. Except as set forth on Schedule 3.20, no equityholder, director, officer or Affiliate of any of the Target Companies, nor to Ghost Lifestyle's Knowledge, any immediate family member of any equityholder, director, officer or Affiliate of any of the Target Companies, nor any trust, partnership or corporation in which any equityholder, director, officer or Affiliate of any of the Target Companies holds any material interest (collectively, "Ghost Related Parties") (a) is party to any Material Contract or provides any material services to the Target Companies (in each case, except solely in such Person's capacity as a director, officer or employee, as applicable) or any material interest in any Assets, (b) has any material interest in any material supplier, customer, lessor, lessee or competitor of the

Target Companies, in each case to the Knowledge of Ghost Lifestyle, or (c) has borrowed money from or loaned money to any Target Company that is currently outstanding (any such Contract or arrangement set forth on or required to be set forth on Schedule 3.20, a “Related Party Arrangement”). No Ghost Related Party has brought or threatened to bring any Action against any Target Company. Except as set forth on Schedule 6.12, all Related Party Arrangements will be terminated at or prior to the Closing, without any further force or effect or survival of any provision thereunder and without any cost, expense, liability or obligation thereunder to Buyer or its Affiliates following the Closing (including, post-Closing, the Target Companies).

Section 3.21 No Undisclosed Liabilities. None of the Target Companies has any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, determined or determinable, or otherwise, on or off-balance sheet, and whether arising in the past, present or future (collectively, “Liabilities”), except (a) as specifically set forth on, or adequately reserved against in, the Financial Statements as of the Reference Balance Sheet Date, (b) incurred in the Ordinary Course of Business subsequent to the Reference Balance Sheet Date (other than any breach of agreement, violation of applicable Law or tort claims which are, in each case, not material in amount), (c) as set forth on Schedule 3.21, or (d) as would not be, individually or in the aggregate, material in amount.

Section 3.22 Customers and Suppliers. Schedule 3.22 contains a list of (a) the 25 largest customers (including, as indicated on Schedule 3.22, distributors) (based on gross sales) of all of Target Companies taken together as of each of (x) the 12 month period ended on August 30, 2024 and (y) the 12 month period ended on August 31, 2023, and (b) the 25 largest suppliers (including, as indicated on Schedule 3.22, co-manufacturers and co-packagers) (based on gross expenditures) of all of Target Companies taken together as of each of (x) the 12 month period ended on August 30, 2024 and (y) the 12 month period ended on August 31, 2023. To the Knowledge of Ghost Lifestyle, none of the Target Companies has received any notification that any of the customers or suppliers identified on Schedule 3.22 has any dispute with any Target Company or will materially cease doing business with the Target Companies, in each case, other than with respect to projects or Contracts that have ended or will end by their terms or otherwise in the Ordinary Course of Business.

Section 3.23 Product Liability; Product Warranty. Except as set forth on Schedule 3.23, since the Look-Back Date: (a) none of the Target Companies are a party to any Action, and, to the Knowledge of Ghost Lifestyle, there is not any threatened Action, relating to alleged defects in any Products or the failure of any Products to meet the warranty specifications applicable thereto or for any product returns, product liability or warranty obligations relating to any Products; (b) there are no pending, or to the Knowledge of Ghost Lifestyle, threatened recalls for any Products; (c) the Products are in compliance in all material respects with applicable Law; (d) there have not been any material defects or deficiencies or any claimed material defects or deficiencies in any Products that could reasonably be expected to result in an individual Action or collective class action claim relating to the Products; (e) to the Knowledge of Ghost Lifestyle, none of the Products designed, manufactured, packaged, labeled, shipped or sold has been subject to, or is subject to, any recall mandated by any Governmental Authority or demanded in writing by any customer set forth on Schedule 3.22; (f) none of the Products has been subject to, or is subject to, any investigation by any Governmental Authority or demanded in writing by any customer set forth on Schedule 3.22, and no Target Company has received any communication related to any possible or threatened investigation relating to the Products; and (g) no Target Company has voluntarily or involuntarily initiated, conducted or issued, or caused to be initiated, conducted or issued, any recall, market withdrawal or replacement relating to any of the Products and to the Knowledge of Ghost Lifestyle, there are no facts or circumstances that could cause any Governmental Authority to require, or any Target Company acting reasonably to voluntarily conduct, any recall, market withdrawal, replacement, relabeling or suspension of manufacturing, promotion, importation or sale of any of the Products. The Products have been

marketed in material compliance with applicable Laws and none of the marketing and promotional materials used, including sales brochures, product labels and labeling, advertising and promotional claims in any format (whether print or website content or otherwise) is, or has been, materially false or misleading.

Section 3.24 Inventory.

(a) Except as set forth on Schedule 3.24, all inventory of each applicable Target Company, whether reflected in the Financial Statements, consists of a quality and quantity usable and salable in the Ordinary Course of Business and in compliance with applicable Laws, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All such inventory is owned by the applicable Target Company free and clear of all Liens, other than Permitted Liens, and no inventory is held on a consignment basis. The quantities of each item of inventory (whether raw materials, work-in-process or finished goods) are not excessive, but are reasonable in the present circumstances of the applicable Target Company.

(b) Schedule 3.24(b) sets forth a list of universal product codes currently used by any Target Company in connection with the Products (the “Universal Product Codes”). No Target Company or, to the Knowledge of Ghost Lifestyle, other Person uses any such Universal Product Code in any business other than the business as conducted by the Target Companies. Each Target Company owns and controls each applicable Universal Product Code and has all necessary right, power and authority to use such Universal Product Codes and other related product identifiers in the business of the Target Companies.

Section 3.25 Privacy and Data Security.

(a) The Target Companies, and the Processing of Personal Information by or on behalf of the Target Companies, comply, and have complied, in all material respects with all Privacy Laws, and all Contract obligations relating to the Processing of Personal Information and with each of the Target Companies’ policies, promises and statements, in each case, written and posted or otherwise made public, relating to the privacy or security of Personal Information (any such policies, promises or statements, individually or collectively, “Privacy Policies”) (such Privacy Laws, Contract obligations and Privacy Policies, collectively, “Privacy Requirements”). Copies of all current Privacy Policies posted by the Target Companies in connection with the conduct of the business of the Target Companies have been made available to Buyer.

(b) Since the Look-Back Date, there have been no Actions, whether from a Governmental Authority or any other Person, nor are any Actions pending or, to the Knowledge of Ghost Lifestyle, threatened by any Governmental Authority or any other Person, in each case, against any Target Company with respect to the Processing of Personal Information.

(c) The execution, delivery and performance of this Agreement complies with all applicable Privacy Requirements in all material respects and following the consummation of the transaction contemplated by this Agreement, Buyer will have substantially the same right to Process Personal Information currently Processed by the Target Companies as the Target Companies have immediately prior to the Closing.

(d) The IT Assets (i) are in good working order and condition and are sufficient for the operation of the business of the Target Companies as currently conducted, (ii) are free of any “back door,” “time bomb,” “Trojan horse,” “worm,” “drop dead device,” “virus” or other software routines or hardware components that permit unauthorized access, disablement or erasure or otherwise adversely affect the functionality of the IT Assets and (iii) since the Look-Back Date have not materially malfunctioned or failed.

(e) The Target Companies have (i) taken commercially reasonable measures to protect the integrity, physical and electronic security and continuous operation of the IT Assets owned or controlled by the Target Companies and to protect the data (including Personal Information and Trade Secrets) stored thereon or Processed thereby against unauthorized access, theft, disclosure, misuse or loss (including by implementing and maintaining, and monitoring compliance with, organizational, physical and technical measures that are materially compliant with all applicable Privacy Requirements) and (ii) implemented and maintained commercially reasonable disaster recovery plans, procedures, backup equipment and facilities of a scope consistent with customary industry practice and materially compliant with all applicable Privacy Requirements and, as applicable, have taken reasonable steps to implement such plans and procedures. There have been no material misuse, unauthorized intrusion or breaches of the security of the IT Assets, nor any loss, theft or unauthorized access, use, disclosure or modification of, corruption to or the rendering unavailable or inaccessible (including through a ransomware attack) of any data (including Personal Information or Trade Secrets) maintained, owned or Processed by or on behalf of the Target Companies (collectively, “Security Incidents”), and no disclosure of any such Security Incident has been or was legally required to have been made by any of the Target Companies under any applicable Privacy Requirements to any Governmental Authority or Person.

(f) The Target Companies have addressed all “critical”, “high” and any other material risks, threats and deficiencies identified in any cybersecurity or information security risk audit, assessment or penetration testing carried out by or for the Target Companies.

(g) The Target Companies have not entered into any Contract to provide Personal Information to any Person, other than to third party service providers or data processors, in each case, subject to appropriate data processing agreements or addendums.

Section 3.26 No Other Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN THIS ARTICLE III, THE JOINDERS OR ARTICLE III OF THE GHOST BEVERAGES MERGER AGREEMENT, NEITHER THE TARGET COMPANIES, THE SELLER PARTIES NOR ANY OTHER PERSON ACTING ON BEHALF OF THE TARGET COMPANIES OR THE SELLER PARTIES MAKES ANY REPRESENTATION OR WARRANTY TO BUYER OR GHOST LIFESTYLE MERGER SUB, EXPRESS OR IMPLIED. GHOST LIFESTYLE AND EACH SELLER ACKNOWLEDGES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN THIS ARTICLE IV AND IN ARTICLE IV OF THE GHOST BEVERAGES MERGER AGREEMENT, NONE OF BUYER, GHOST LIFESTYLE MERGER SUB NOR ANY OTHER PERSON ACTING ON BEHALF OF BUYER OR GHOST LIFESTYLE MERGER SUB MAKES ANY REPRESENTATION OR WARRANTY TO THE PARTIES, EXPRESS OR IMPLIED.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER AND GHOST LIFESTYLE MERGER SUB

As a material inducement to Ghost Lifestyle to enter into and perform its obligations under this Agreement, each of Buyer and Ghost Lifestyle Merger Sub represents and warrants to Ghost Lifestyle, as follows:

Section 4.01 Organization of Buyer and Ghost Lifestyle Merger Sub. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Ghost Lifestyle Merger Sub is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware.

Section 4.02 Authorization of Transaction; Binding Effect.

(a) Each of Buyer and Ghost Lifestyle Merger Sub has full organizational power and authority to carry on its business as is presently conducted, to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party by each of Buyer and Ghost Lifestyle Merger Sub and the performance by each of Buyer and Ghost Lifestyle Merger Sub of its obligations hereunder and thereunder have been duly authorized by all requisite organizational action.

(b) This Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party have been duly executed and delivered by Buyer and Ghost Lifestyle Merger Sub and, assuming due authorization and execution by the other parties hereto and thereto, constitute the valid and legally binding obligation of Buyer and Ghost Lifestyle Merger Sub, enforceable in accordance with their terms and conditions (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or by general equitable principles).

Section 4.03 Noncontravention. Except for the HSR Clearance, neither the execution and the delivery of this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party, nor the consummation of the transactions contemplated hereby and thereby, will (a) violate any provision of the organizational documents of Buyer or Ghost Lifestyle Merger Sub, (b) assuming compliance by Ghost Lifestyle (and applicable Seller Parties) with Section 3.03, violate any Law or other restriction of any Governmental Authority to which Buyer or Ghost Lifestyle Merger Sub is subject or (c) conflict with, result in a breach of, constitute a default under or result in the acceleration of, any contract to which Buyer or Ghost Lifestyle Merger Sub is a party or by which its assets are bound, except, in each case of the foregoing (a)-(c), as would not have a material adverse effect on the ability of Buyer and/or Ghost Lifestyle Merger Sub to consummate the Transactions. Except for the HSR Clearance, the execution and delivery of this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party by Buyer and Ghost Lifestyle Merger Sub do not require any consent or approval of any Governmental Authority.

Section 4.04 Broker's Fees. Except for the fees and expenses of Bank of America N.A., neither Buyer nor Ghost Lifestyle Merger Sub has any Liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the Transactions for which the Target Companies (prior to the Closing), or the Sellers could become liable or obligated.

Section 4.05 Sufficiency of Funds. Buyer will have at Closing sufficient cash to enable Buyer to consummate on a timely basis the transactions contemplated by this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party to pay all of Buyer's and Ghost Lifestyle Merger Sub's related fees and expenses to the extent required under this Agreement. In no event shall the receipt or availability of any funds or financing by or to Buyer or any of its Affiliates or any other financing be a condition to Buyer's or Ghost Lifestyle Merger Sub's obligation to consummate the Transactions. Buyer and Ghost Lifestyle Merger Sub are solvent on the date hereof, will not be rendered insolvent by performance of their obligations under this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party and the transactions contemplated hereby and thereby, will not be undercapitalized upon consummation of this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party and the transactions contemplated hereby and thereby, and will not, as a result of the consummation of this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party and the transactions contemplated hereby and thereby, incur debts beyond their ability to pay as such debts mature.

Section 4.06 Litigation. As of the date hereof, there are no Actions pending or, to Buyer's or Ghost Lifestyle Merger Sub's knowledge, threatened against or affecting Buyer or Ghost Lifestyle Merger Sub, at Law or in equity, or before or by any Governmental Authority, that are reasonably likely to prohibit or restrain in a material respect Buyer's or Ghost Lifestyle Merger Sub's performance under this Agreement or the Ancillary Agreements or the consummation of the Transactions.

Section 4.07 Investment Intent; Restricted Securities. Buyer is purchasing the equity interests in Ghost Lifestyle acquired hereunder solely for its own account, for investment purposes only, and not with a view to, or any present intention of, reselling or otherwise distributing the equity interests in Ghost Lifestyle acquired hereunder. Buyer is an "accredited investor" as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act. Buyer understands and acknowledges that (a) none of the equity interests in Ghost Lifestyle acquired hereunder have been registered under the Securities Act or any state or foreign securities Laws, in reliance upon specific exemptions thereunder for transactions not involving any public offering, (b) none of the equity interests in Ghost Lifestyle acquired hereunder is traded or tradable on any securities exchange or over-the-counter and (c) the equity interests in Ghost Lifestyle may not be sold, transferred, offered for sale, or otherwise disposed of unless such sale, transfer, offer or other disposition is registered under the Securities Act or any state or foreign securities Laws or sold pursuant to an exemption from registration under the Securities Act or any state or foreign securities Laws.

Section 4.08 Inspection; No Other Representations. Each of Buyer and Ghost Lifestyle Merger Sub has undertaken such investigation and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the Ancillary Agreements to which Buyer and/or Ghost Lifestyle Merger Sub are a party and the transactions contemplated hereby and thereby. Without limiting the generality of the foregoing, each of Buyer and Ghost Lifestyle Merger Sub acknowledges that none of the Target Companies, the Seller Parties or the Sellers' Representative makes any representation or warranty with respect to (a) any projections, estimates or budgets delivered to or made available to Buyer or Ghost Lifestyle Merger Sub of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of the Target Companies, or the future business and operations of the Target Companies or (b) any other information or documents made available to Buyer, Ghost Lifestyle Merger Sub or their respective counsel, accountants or advisors with respect to the Target Companies or their business, assets, liabilities or operations, in each case, except as expressly set forth in this Agreement.

Section 4.09 No Other Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN THIS ARTICLE IV AND ARTICLE IV OF THE GHOST BEVERAGES MERGER AGREEMENT, NONE OF BUYER, GHOST LIFESTYLE MERGER SUB NOR ANY OTHER PERSON ACTING ON BEHALF OF BUYER OR GHOST LIFESTYLE MERGER SUB MAKES ANY REPRESENTATION OR WARRANTY TO THE PARTIES, EXPRESS OR IMPLIED. BUYER AND GHOST LIFESTLYE MERGER SUB EACH ACKNOWLEDGES THAT EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN ARTICLE III, THE JOINDERS, OR ARTICLE III OF THE GHOST BEVERAGES MERGER AGEEMENT, NEITHER THE TARGET COMPANIES, THE SELLER PARTIES NOR ANY OTHER PERSON ACTING ON BEHALF OF THE TARGET COMPANIES OR THE SELER PARTIES MAKES ANY REPRESENTATION OR WARRANTY TO THE PARTIES, EXPRESS OR IMPLIED.

ARTICLE V

PRE-CLOSING COVENANTS

Section 5.01 Operation of Business.

(a) From the date of the Original CMA until the earlier of the Closing Date or the date on which this Agreement is terminated pursuant to Section 8.01 (the “Interim Period”), except as set forth on Schedule 5.01, otherwise expressly required by this Agreement or with the prior written consent of Buyer, which consent shall not be unreasonably withheld, delayed or conditioned, Ghost Lifestyle shall not, and shall cause the Target Companies not to, take any action of the type that, if taken after the Reference Balance Sheet Date and prior to the date hereof, would have been required to be disclosed on Schedule 3.08(b) (other than Schedule 3.08(b)(iii)).

(b) During the Interim Period, except as otherwise expressly required by this Agreement or with the prior written consent of Buyer, which consent shall not be unreasonably withheld, delayed or conditioned, Ghost Lifestyle shall, and shall cause the Target Companies to, conduct their respective businesses in the Ordinary Course of Business in all material respects and use reasonable best efforts to maintain and preserve their business and material assets and current organization and to preserve the rights, franchises, goodwill and relationships with employees, customers, lenders, suppliers, distributors, licensors, licensees, regulators and others having material business relations with any Target Company and maintain and preserve any real property and tangible personal property in good operating condition, subject to normal wear and tear, and in a manner adequate for the uses to which they are currently being put; provided, that subject to the Target Companies’ compliance with their other covenants in this Section 5.01, the Target Companies will not be deemed to have breached its obligation to operate in the Ordinary Course of Business pursuant to this Section 5.01(b) solely by virtue of and to the extent of actions taken solely by third parties, including customers, vendors and other business relations of the Target Companies.

Section 5.02 Notices and Consents

(a) During the Interim Period, subject to the terms and conditions of this Agreement, each Party shall cooperate fully with the other Parties and use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner possible, the Transactions, including by (i) obtaining (and cooperating with the other Parties in obtaining) any Governmental Authorizations required to be obtained in connection with the Transactions including HSR Clearance, and making any and all registrations, notifications, and filings that may be necessary or advisable to obtain the approval or waiver from, or to avoid any Action by, any Governmental Authority; (ii) promptly (and in the case of any filing under the HSR Act in no event later than two Business Days after the date hereof) make, or cause to be made, all filings as required and request early termination of the applicable waiting period under the HSR Act, and thereafter, as promptly as practicable, comply with any formal or informal written request for additional information or documentary material received by it or any of its Affiliates with respect to this Agreement under the HSR Act or required under any other applicable Law; and (iii) executing any certificates, instruments or other documents that are necessary to consummate and make effective the Transactions and to fully carry out the purposes and intent of this Agreement.

(b) During the Interim Period, Buyer, on the one hand, and Sellers’ Representative and Ghost Lifestyle, on the other hand, will keep each other reasonably apprised of the status of matters relating to the completion of the Transactions and work cooperatively in connection with obtaining the requisite Governmental Authorizations, including to the extent

reasonably practicable and unless otherwise prohibited by Law or the applicable Governmental Authority: (i) cooperating with the other Party in connection with filings under the HSR Act, including, with respect to the Party making a filing, (A) providing copies of all submissions (except the HSR Notification and Report Form) to the non-filing Party and its advisors prior to submission and (B) if requested, considering in good faith all reasonable additions, deletions or changes suggested in connection with any such filing; (ii) furnishing to each other all information required for any application, notification, or other filing to be made pursuant to any Antitrust Law in connection with the Transactions; (iii) reasonably promptly notifying the other of, and if in writing furnishing the other with copies of, any communications from or with any Governmental Authority with respect to the Transactions; (iv) permitting the other Party to review in advance and considering in good faith the views of one another in connection with any proposed substantive communication with any Governmental Authority in connection with Actions under or relating to any Antitrust Law; (v) to the extent reasonably practicable, not participating in any substantive meeting or discussion with any Governmental Authority in connection with Actions under or relating to any Antitrust Law unless it consults with the other Party in advance, and, to the extent reasonably practicable and permitted by such Governmental Authority, gives the other Party the opportunity to attend and participate in such meetings or discussions; and (vi) consulting and cooperating with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of either Party in connection with Actions under or relating to any Antitrust Law; provided that any documents containing competitively sensitive information required to be shared under this Section 5.02(b) may be shared only with outside legal counsel to the other Party; provided, further that such documents may be redacted before being provided to the other Party as necessary to address reasonable privilege concerns. If either Party or any Affiliate thereof receives a request for additional information or documentary material from any such Governmental Authority with respect to the Transactions, then such Party will use its reasonable best efforts to make, or cause to be made, as expeditiously as practicably possible and after consultation with the other Party, an appropriate response in full compliance with such request. Buyer will advise Sellers' Representative and Ghost Lifestyle of any understandings, undertakings or agreements (oral or written) which Buyer proposes to make or enter into with any Governmental Authority in connection with the Transactions prior to making any such proposal to a Governmental Authority, and will consider in good faith the Sellers' Representative's views regarding such understanding, undertaking or agreement prior to making any such proposal. Notwithstanding anything to the contrary herein, Buyer shall have the right to (x) direct, devise and implement all matters (including with respect to process, strategy and communications) with any Governmental Authority, including the strategy for obtaining the requisite Governmental Authorizations, (y) lead all meetings and communications (including any negotiations) with, any Governmental Authority and (z) control the defense and settlement of any Action brought by or before any Governmental Authority or any other Person; provided, that Buyer shall consult and reasonably cooperate with Sellers' Representative, and consider in good faith the views of Sellers' Representative, in connection with the foregoing.

(c) Notwithstanding anything to the contrary in this Agreement, including any provision of this Section 5.02, none of Buyer or any of its Affiliates shall be required in connection with this Agreement, the Ancillary Agreements, the Transactions or otherwise, to negotiate or effect (by consent agreement or order, hold separate arrangement, undertaking or otherwise), the divestiture of any assets, businesses, interests, or entities, or any form of behavioral remedy or to defend any Action seeking to challenge this Agreement or the Transactions. The "reasonable best efforts" of the Seller Parties and the Sellers' Representative shall not require any Seller Party, the Sellers' Representative, the Target Companies or any of their respective Affiliates to expend any money to remedy any breach of any representation or warranty hereunder, to obtain any consent required for consummation of the Transactions or to provide financing to Buyer for consummation of the Transactions.

(d) All filing fees with any Governmental Authority under the HSR Act and any other applicable Antitrust Laws, together with any other fees payable to a Governmental Authority in connection with the Transactions, shall be borne by the Buyer.

Section 5.03 Access. During the Interim Period, the Sellers' Representative and Ghost Lifestyle shall, and shall cause the Target Companies to, permit Buyer and its Representatives (including financial and legal representatives) to have reasonable access (including for the purpose of examining and copying) at Buyer's expense, during normal business hours and upon reasonable advance notice, and in a manner so as not to unreasonably interfere with the normal business operations of the Target Companies, to the properties, personnel (including officers and employees), Representatives (including financial and accounting representatives), information technology systems (including net suite), financial, legal and operational information, and books and records of the Target Companies; provided, however, that the foregoing shall not apply to the extent that such access would (a) reasonably be expected to result in competitive harm to the Target Companies if the Transactions were not consummated (provided, however, that such information shall be provided to Buyer through a restricted clean team substantially similar to the manner in which competitively sensitive information regarding the Target Companies was provided to Buyer prior to the date hereof), (b) violate the maintenance of attorney client or other legal privileges or doctrines, (c) conflict with any confidentiality obligations to which a Target Company, a Seller or any of their Affiliates is bound, or (d) be in violation of applicable Laws imposed by any Governmental Authority; provided further, that the Sellers' Representative shall, in each case provide, Buyer with notice that such information is being withheld and the reason therefor and use commercially reasonable efforts to make appropriate substitute arrangements to permit reasonable access that would not waive privilege or violate applicable Laws or confidentiality obligations, as applicable.

Section 5.04 Contact with Customers, Suppliers and Employees. During the Interim Period, each Party shall not, and shall not authorize its Affiliates and its and their respective Representatives to, contact or communicate with the customers, suppliers or employees of any Target Company, on the one hand, and of Buyer and its Affiliates, on the other hand, solely with respect to the Transactions without the prior written consent of the Sellers' Representative (with respect to the Target Companies) and Buyer (with respect to Buyer and its Affiliates), such consent, in each case, not to be unreasonably withheld, delayed or conditioned; provided that, for the avoidance of doubt, the foregoing will not limit the ability of a Party and its Affiliates and its and their respective Representatives to contact or communicate with any Person to the extent such contact or communication is unrelated to the Transactions.

Section 5.05 No Solicitation of Transactions. During the Interim Period, none of Ghost Lifestyle, Sellers' Representative, nor any Seller Party shall, nor shall any of the foregoing authorize or permit any of their respective Affiliates or Representatives to, and shall cause the Target Companies not to, directly or indirectly, initiate, solicit, facilitate, continue inquiries, or encourage (including by way of furnishing non-public information or assistance), or enter into negotiations or discussions of any type, directly or indirectly, or enter into a confidentiality agreement, letter of intent or purchase agreement, merger agreement or other agreement or instrument with any Person other than Buyer or its Affiliates, or provide any information or access to any Target Company properties, books, records or employees to any Person other than Buyer and its Affiliates or Representatives, in each case, with respect to a sale of all or substantially all of the assets of any Target Company, or a merger, consolidation, business combination, sale of any equity interests of the any Target Company, or the liquidation, winding-up, dissolution, recapitalization or similar extraordinary transaction with respect to any Target Company or any other similar transaction or series of transactions to the foregoing (each, an "Alternative Transaction") or that would reasonably be expected to lead to an Alternative Transaction. Immediately following the execution of this Agreement, each of Ghost Lifestyle, Sellers' Representative, and each Seller Party shall, and shall cause its respective Affiliates (including the Target Companies and other Sellers) and Representatives to, cease and cause to be

terminated all existing discussions or negotiations with any Persons (other than Buyer and its Affiliates and Representatives) conducted heretofore with respect to an Alternative Transaction and shall promptly notify Buyer in writing after receipt thereof by it, the Target Companies, any Seller or any of their respective Affiliates or Representatives, of any offer, inquiry or proposal from any Person regarding an Alternative Transaction or request for information or access that would constitute a violation of this Section 5.05, if provided, such written notice to include the material terms thereof and the identity of the Person making such offer, inquiry, proposal or request; provided, that Ghost Lifestyle shall not be required to disclose to Buyer the material terms of such offer, inquiry or proposal or the identity of such third party pursuant to this sentence to the extent that doing so would constitute a breach of any binding confidentiality agreement to which Ghost Lifestyle is a party as of the date hereof.

Section 5.06 Payoff Letters; Termination of Security Interests.

(a) Ghost Lifestyle shall, no later than three Business Days prior to the Closing Date, obtain and deliver to Buyer:

(i) a draft payoff letter in form and substance reasonably satisfactory to Buyer, from each creditor with respect to the Indebtedness identified on Schedule 5.06, which payoff letter shall (A) indicate the aggregate amount required to be paid to such creditor on the Closing Date (including the outstanding principal amount, accrued and unpaid interest and any premium, penalty, prepayment fee, expense, breakage cost or other payment required to be made with respect to such Indebtedness, other than contingent obligations for which no claim has been made) in order to fully discharge all payment obligations (other than contingent obligations for which no claim has been made) with respect to such Indebtedness, and provide wire transfer information for such payment, (B) state that upon receipt of the amount described in the foregoing clause (A), the instruments evidencing such Indebtedness shall be terminated (with customary savings provisions for indemnification and other provisions that survive termination) and (C) state that all Liens and all guarantees in connection therewith relating to the assets and properties of the Target Companies securing such Indebtedness, if any, shall be, upon receipt of the payment of the amount described in the foregoing clause (A) on the Closing Date, released and terminated (each such payoff letter, a “Payoff Letter”); provided, that any creditor’s insistence or requirement of a lender “release” or similar provision shall not constitute, in whole or in part, a basis on which to determine a payoff letter unsatisfactory for purposes of this (a).

(ii) forms of terminations for any intellectual property security agreements filed with the United States Patent and Trademark Office or the United States Copyright Office in connection with any Indebtedness referred to in the foregoing clause (i), if any.

(b) Ghost Lifestyle shall use commercially reasonable efforts to, prior to Closing, (i) obtain UCC-3 termination statements, each in a form reasonably acceptable to Buyer, with the Nevada Secretary of State, evidencing the release of the security interests in favor of Raymond Leasing Corporation and De Lage Landen Financial Services, Inc. in the assets of the Target Companies and (ii) deliver copies of the filed UCC-3 termination statements to the Buyer as soon as available.

ARTICLE VI

ADDITIONAL AGREEMENTS

Section 6.01 General Efforts; Further Assurances.

(a) In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, at the sole cost and expense of the requesting Party.

(b) Without limitation to the foregoing, during the Interim Period, (i) Ghost Lifestyle shall reasonably cooperate with Buyer to implement processes and controls as reasonably requested by Buyer to ensure that as of the Closing, the Target Companies can timely and accurately prepare financial reports and comply with the financial reporting processes, controls and policies of Buyer, (ii) [***], and (iii) separate and apart from the obligations set forth in Section 5.02, each Party shall use, and cause its Subsidiaries to use, reasonable best efforts to (and reasonably cooperate with each other in good faith to) take or cause to be taken all actions, and do or cause to be done all things, necessary or advisable under this Agreement or any Ancillary Agreement to consummate the Transactions as promptly as reasonably practicable after the date of this Agreement, including (x) at the request of Buyer, obtaining from any applicable counterparty the Third-Party Consents set forth on Schedule 6.02(b) (or any other Third-Party Consent as mutually agreed upon by Buyer and the Sellers' Representative, with such agreement to not be unreasonably withheld, conditioned or delayed); provided that the foregoing shall not require any Party to make any payment of a consent fee or other consideration (including increased or accelerated payments) or concede anything of value, and (y) satisfying all of the conditions to Closing set forth herein and obtaining items required to be delivered pursuant to Section 2.03.

(c) Promptly following the date hereof, Buyer and the Sellers' Representative shall negotiate in good faith to determine an amount of Cash to be distributed by Ghost Lifestyle to its members prior to the Closing.

Section 6.02 Press Releases. The initial press release with respect to this Agreement, the Ancillary Agreements and the Transactions shall be a joint release in a form to be mutually agreed by Buyer and the Sellers' Representative prior to the date hereof. Thereafter, except in connection with any court process or to the extent required by applicable Law, or the rules of any applicable securities exchange (and then, in each case, only after as much advance notice and consultation as is reasonably feasible has been provided), the Parties shall not, directly or indirectly, issue any press release or public announcement of any kind concerning this Agreement, the Ancillary Agreements or the Transactions without the prior written consent of Buyer, on the one hand, and the Sellers' Representative, on the other hand (other than any press release or public disclosure that is consistent with previous press releases or public disclosures made by the Parties in compliance with this Section 6.02). Notwithstanding the foregoing, on and after the Closing Date, the Sellers shall be permitted to disclose (a) to its direct and indirect current and prospective members and equityholders (who may disclose to their direct and indirect investors) the fact that the Closing has occurred and the consideration paid hereunder, in the ordinary course of each Seller's business and subject to customary confidentiality obligations, and (b) on its websites and in its marketing materials the fact of the sale of the Target Companies to Buyer, so long as in the case of both the foregoing (a) and (b), (i) no price information (other than as expressly permitted in the foregoing (a)), (ii) no logos of the Target Companies or Buyer or their Affiliates, and (iii) no further disclosure or commentary is provided in connection therewith.

Section 6.03 Confidentiality. From the date hereof until the Closing, the Parties shall be bound by and comply with the provisions set forth in the Confidentiality Agreement as if such provisions were set forth herein, and such provisions are hereby incorporated herein by reference. The Confidentiality Agreement shall terminate automatically and be of no further or effect upon the Closing without further action of any Party.

Section 6.04 Employee Matters.

(a) [***].

(b) For all purposes of eligibility to participate, vesting and level of benefits (but not for benefit accrual, early retirement eligibility or early retirement subsidies) under the employee benefit plans, programs and arrangements established or maintained by Buyer or its Affiliates in which Continuing Employees may be eligible to participate after the Closing (the “Buyer Plans”), Buyer shall use commercially reasonable efforts to credit each Continuing Employee with the amounts of service credit that are no less than was credited by Ghost Lifestyle and its Affiliates as of the Closing to such Continuing Employee under similar or comparable Employee Benefit Plans; provided, that such crediting of service shall not operate to duplicate any benefit or the funding of any benefit.

(c) To the extent Buyer elects to provide coverage under an applicable Buyer Plan to replace coverage under a similar or comparable Employee Benefit Plan in which such Continuing Employee was eligible to participate immediately prior to the Closing (such Employee Benefit Plans, the “Previous Benefit Plans”), Buyer shall use commercially reasonable efforts to ensure that each Continuing Employee (and their eligible dependents) is immediately eligible to participate without any waiting period or other similar eligibility requirement, in any and all such Buyer Plans.

(d) [***].

(e) The provisions of this Section 6.04 are for the sole benefit of the Parties to this Agreement (other than any Seller who is a Continuing Employee (the “Excluded Sellers”)) and nothing herein, expressed or implied, is intended or shall be construed to confer upon or give to any Person (including, for the avoidance of doubt, any Continuing Employee or other current or former employee of Ghost Lifestyle or its Subsidiaries), other than the Parties (other than an Excluded Seller) and their respective permitted successors and assigns, any legal or equitable or other rights or remedies (including with respect to the matters provided for in this Section 6.04) under or by reason of any provision of this Agreement. Nothing in this Section 6.04 shall constitute or be deemed to constitute the establishment, adoption or amendment of any Employee Benefit Plan, Buyer Plan or any other employee benefit or compensation plan, program, agreement or other arrangement. Each Excluded Seller hereby expressly acknowledges and agrees that the provisions in this Section 6.04(e) do not confer any rights or remedies whatsoever, including third party beneficiary rights, on such Excluded Seller, and are not enforceable by the Excluded Sellers.

(f) Prior to the Closing Date, Seller shall: (i) use commercially reasonable efforts to obtain from any Person who (A) would reasonably be considered a “disqualified individual” (as defined in Section 280G of the Code) with respect to any Target Company and (B) has a right or potential right to receive any payments and/or benefits in connection with the Transactions that could reasonably be deemed to constitute “parachute payments” pursuant to Section 280G of the Code, a waiver of all or a portion of such Person’s rights to any such payments and/or benefits, to the extent necessary so that all remaining payments and/or benefits applicable to such Person shall not be deemed to be “parachute payments” pursuant to Section 280G of the Code (such waived portion of any payments and/or benefits, the “Waived 280G Benefits”); and (ii) for all such obtained waivers, submit for approval by the applicable Target

Company equityholders that are entitled to vote on such matters the Waived 280G Benefits, to the extent and in the manner required under Sections 280G(b)(5)(A)(ii) and 280G(b)(5)(B) of the Code. No later than seven Business Days before the Closing Date, Seller shall provide to Buyer or its counsel drafts of the consent, waiver, disclosure statement and calculations necessary to effectuate the approval process. Prior to the Closing Date, Seller shall deliver to Buyer evidence that (1) a vote of the applicable Target Company equityholders was obtained in conformance with Section 280G of the Code and the regulations thereunder, or (2) such requisite Target Company equityholder approval has not been obtained with respect to the Waived 280G Benefits, and, as a consequence, the Waived 280G Benefits have not been and shall not be retained, paid or provided.

Section 6.05 Provision Respecting Representation of the Sellers. Each of the Parties hereby agrees, on its own behalf and on behalf of its directors, members, managers, partners, equityholders, officers, employees and Affiliates, that Winston & Strawn LLP served as counsel to the Target Companies and may serve as counsel to one or more of the Sellers in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the Transactions, and that, following consummation of the Transactions, Winston & Strawn LLP (or any of its successors) may serve as counsel to one or more of the Sellers in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the Transactions notwithstanding such representation of the Target Companies, and each of the Parties hereby consents thereto and waives any conflict of interest arising therefrom, and each of such Parties shall cause any Affiliate thereof to consent to waive any conflict of interest arising from such representation. Buyer further agrees that, as to all communications among Winston & Strawn LLP, the Target Companies or the Sellers that relate to the Transactions, the attorney or solicitor-client privilege and the expectation of client confidence belongs to the Sellers and may be controlled by the Sellers and shall not pass to or be claimed by the Buyer, Ghost Lifestyle Merger Sub or the Target Companies; provided that the foregoing limitation shall not apply solely to the extent such communication in the possession of the Target Companies reflects or demonstrates Knowledge and/or specific intent of the Target Companies or any Seller or Representative thereof in connection with Fraud. Notwithstanding the foregoing, in the event that a dispute arises between the Buyer, Ghost Lifestyle Merger Sub or the Target Companies and a third party other than a party to this Agreement after the Closing, the Target Companies may assert the attorney or solicitor-client privilege to prevent disclosure of confidential communications by Winston & Strawn LLP to such third party; provided, however, that the Target Companies may not waive such privilege without the prior written consent of the Sellers' Representative (not to be unreasonably withheld, conditioned or delayed).

Section 6.06 Directors' and Officers' Indemnification.

(a) From and after the Closing for a period of six (6) years, unless otherwise required by applicable Law, Buyer shall not, and shall cause the Target Companies and their respective Affiliates to not, amend, repeal or otherwise modify the indemnification provisions of any Target Company Organizational Document, as in effect on the date of this Agreement in any manner that would adversely affect the rights thereunder in any material respect of individuals who, on or prior to, the Closing were managers, directors or officers of the Target Companies (the "D&O Indemnitees") for any acts or omissions occurring at or prior to the Closing (the "D&O Claims"), which provisions shall continue in full force and effect in accordance with their terms. From and after the Closing, the Target Companies shall indemnify the D&O Indemnitees to the extent required under such indemnification provisions of the applicable Target Company Organizational Document for the D&O Claims.

(b) At or prior to the Closing, Buyer shall purchase (or Ghost Lifestyle shall purchase at the request of Buyer) a "tail" insurance policy ("D&O Insurance") covering D&O Claims with respect to the D&O Indemnitees for a coverage period of six (6) years after the Closing Date, on terms with respect to such coverage and amounts no less favorable than those

of such a comparable policy in effect on the date of this Agreement; provided however that the annual premium for such “tail” policy shall not exceed 250% of the annual premium for such comparable policy as of the date of this Agreement.

Section 6.07 Post-Closing Record Retention and Access. For a period of six (6) years following the Closing, Buyer shall, and shall cause the Target Companies to, provide the Seller Parties and their respective authorized Representatives with reasonable access for the purpose of examining and copying at such Seller Party’s expense, during normal business hours and upon reasonable advance notice, to any books and records and other materials relating to periods prior to the Closing Date in connection with (a) investigating, settling, preparing for the defense or prosecution of any Action (other than, without limiting any right to discovery, any Action between Sellers’ Representative and Sellers, on the one hand, and Buyer or any of its Affiliates (including the Target Companies), on the other hand), (b) the preparation of any Tax Returns, amended Tax Returns or claims for refund (and any materials necessary for the preparation of any of the foregoing), or (c) compliance with the rules and regulations of the IRS the Securities and Exchange Commission or any other Governmental Authority; provided, however, *that* the foregoing shall not apply to the extent that such access (i) would reasonably be expected to result in competitive harm to Buyer or any of their Affiliates, (ii) would violate the maintenance of attorney client or other legal privileges or doctrines, (iii) would conflict with any confidentiality obligations to which Buyer or any of its Affiliates is bound or (iv) would be in violation of applicable Laws (including Privacy Laws) or limitations imposed by any Governmental Authority; provided further, that the Buyer shall, in each case provide, Sellers’ Representative with notice that such information is being withheld and the reason therefor and use commercially reasonable efforts to make appropriate substitute arrangements to permit reasonable access that would not waive privilege or violate applicable Laws or confidentiality obligations, as applicable. Unless (x) otherwise consented to in writing by the Sellers’ Representative (which shall not be unreasonably withheld, conditioned or delayed), (y) required by applicable Law (including Privacy Laws) or contractual obligations to which Buyer or the Target Companies are bound, or (z) in accordance with Buyers’ and its Affiliates’ records retention or recordkeeping policies, Buyer shall not, for a period of six (6) years following the Closing Date, destroy, alter or otherwise dispose of any such books and records and other materials of the Target Companies relating to periods prior to the Closing Date without first offering to surrender to the Sellers’ Representative such books and records and materials or such portions thereof.

Section 6.08 Tax Matters.

(a) Tax Returns.

(i) Following the Closing, the Sellers’ Representative shall, at his own expense, prepare (or cause to be prepared) and timely file (or cause to be timely filed) all Flow-Through Tax Returns for all Pre-Closing Tax Periods that are not filed on or before the Closing Date, and the Buyer shall cause each relevant Target Company to prepare (or cause to be prepared) and timely file (or cause to be timely filed) all Flow-Through Tax Returns for each Straddle Period. Buyer and the Target Companies shall cooperate with the Sellers’ Representative in preparing and filing such Flow-Through Tax Returns, including providing records and information which are reasonably relevant to such Flow-Through Tax Returns, making employees available on a mutually convenient basis to provide additional information and explanation of any material provided, and signing and delivering to the Sellers’ Representative for filing any Flow-Through Tax Returns prepared in accordance with this Section 6.08 that are required to be signed by Buyer or any Target Company. All Flow-Through Tax Returns shall be prepared in a manner consistent with the past practice of the Target Companies, except to the extent such past practice reflects a position that is not at least “more likely than not” correct on the merits, or as otherwise required by this Agreement or changes in facts. The Sellers’ Representative shall provide Buyer with drafts of any Flow-Through Tax Returns for all Pre-Closing Tax Periods no later than 30 days prior to the due date thereof (taking

into account any valid extensions thereof) for Buyer's review and comment. The Sellers' Representative shall implement reasonable comments on such Flow-Through Tax Returns provided by Buyer to the Sellers' Representative in writing no later than five (5) days before the due date of such draft Flow-Through Tax Returns (taking into account any valid extensions thereof), to the extent such comments are at least "more likely than not" correct on the merits. The Buyer shall provide Sellers' Representative with drafts of any Flow-Through Tax Returns for all Straddle Periods no later than 30 days prior to the due date thereof (taking into account any valid extensions thereof) for Sellers' Representative's review and comment. Buyer shall implement reasonable comments on such Flow-Through Tax Returns provided by Sellers' Representative to Buyer in writing no later than five (5) days before the due date of such draft Flow-Through Tax Returns (taking into account any valid extensions thereof), to the extent such comments are at least "more likely than not" correct on the merits.

(ii) The Sellers' Representative shall make a valid election on each Flow-Through Tax Return of the applicable Target Companies classified for U.S. federal (and to the extent applicable, state and local) Income Tax purposes as partnerships for the Pre-Closing Tax Period or Straddle Period that includes the Closing Date under Section 754 of the Code (or any comparable provision of foreign, state, or local Law) for the tax year that includes or ends on the date of the Closing Date, and shall provide Buyer with drafts of any such elections for Buyer's review, comment and approval. For avoidance of doubt, this Section 6.08(a) shall apply to any Flow-Through Tax Returns filed or issued with respect to any Pre-Closing Tax Period or Straddle Period of the Target Companies ending on or prior to the Closing Date.

(b) Straddle Period. For purposes of determining the amount of Taxes of the Target Companies taken into account for any purpose under this Agreement for a period that includes but does not end on the Closing Date (a "Straddle Period"), such Taxes shall be allocated according to the following methodology: (i) real, personal and intangible property Taxes and any other Taxes levied on an annual or other periodic basis ("Per Diem Taxes") of the Target Companies for a Straddle Period shall be allocated on a per diem basis between the pre- and post-Closing portion of such Straddle Period based on the number of days during the portion of the Straddle Period ending with and including the Closing Date and number of days during the portion of the Straddle Period commencing on the day after the Closing Date, and (ii) Taxes that are not Per Diem Taxes, including Income Taxes and any transactional Taxes such as Taxes based on sales, revenue or payments of the Target Companies for a Straddle Period shall be allocated to the portion of the Straddle Period ending with and including the Closing Date as if such Tax period ended as of the end of the day on the Closing Date. For purposes of clause (ii) of the preceding sentence, any allocation of gross or net income or deductions or other items required to determine any Taxes attributable to such a Straddle Period shall be made by means of a closing of the books and records of the Target Companies as of the Closing, provided, that exemptions, allowances, deductions or other items that are calculated on an annual basis (including, but not limited to, depreciation and amortization deductions) shall be allocated between the period ending as of the end of the day on the Closing Date and the period after the Closing Date in the same method as described in clause (i) for Per Diem Taxes.

(c) Transfer Taxes. All sales and transfer Taxes, recording charges and similar Taxes, fees or charges (including any interest, penalties or additions thereto, "Transfer Taxes") imposed as a result of the payment of the Closing Consideration and the Buyer Contribution and Exchange, shall be borne and paid 50% by Buyer and 50% by the Sellers based on each such Seller's Seller Percentage Allocation, and any Transfer Taxes imposed as a result of the LGND Sports Contribution and Exchange shall be paid by the LGND Sports Sellers. The Seller Parties and Buyer shall cooperate in timely making all filings, returns, reports and forms as necessary or appropriate to comply with the provisions of all applicable Tax Laws in connection with the payment of such Transfer Taxes, and shall cooperate in good faith to minimize, to the fullest extent possible under such Tax Laws, the amount of any such Transfer Taxes payable in connection therewith. If any Transfer Tax is not permitted to be paid by the Person responsible

therefor pursuant to this Section 6.08(c), the Person responsible under applicable Law for paying such Transfer Tax shall pay such Transfer Tax, subject to reimbursement by the other Party or Parties, as applicable.

(d) Tax Elections; Buyer Closing Date Transactions. With respect to certain Tax matters, the Parties agree as follows:

(i) to the fullest extent permitted under applicable Law, each Target Company's year-end shall end as of the end of the Closing Date; and the Buyer and Ghost Lifestyle further covenant that Ghost Lifestyle shall use the "interim closing method" and "calendar day convention" (in each case, as defined in Treasury Regulation Section 1.706-4) for determining allocations for purposes of Section 706 of the Code for any Straddle Period and comparable rules for Target Companies that are not partnerships;

(ii) to the extent the position is at least "more likely than not" correct on the merits, treat any Transaction Deductions paid or accrued on or before the Closing as deductible in a Pre-Closing Tax Period (or portion of the Straddle Period ending on the Closing Date);

(iii) to the extent the position is at least "more likely than not" correct on the merits, properly make an election under Revenue Procedure 2011-29 to deduct seventy percent (70%) of any Transaction Deductions that are success-based fees as defined in Treasury Regulation Section 1.263(a)-5(f);

(iv) to treat any gains, income, deductions, losses, or other items realized by any Target Company for Income Tax purposes with respect to any Buyer Closing Date Transaction as occurring on the day immediately following the Closing Date; and

(v) Buyer shall not effect any Buyer Closing Date Transaction.

Unless otherwise required by applicable Law or a determination of a Governmental Authority, the Seller Parties and Buyer shall prepare and file all Tax Returns (and cause the Target Companies and each other applicable Affiliate to file all Tax Returns), including timely and properly making all agreed elections, consistently with the agreements set forth in this Section 6.08(d) and neither the Seller Parties nor Buyer shall take any position (and Buyer shall not allow any Target Company or any of its other Affiliates to take any position) on any Tax Return (or during the course of any audit or other Action with respect to any Taxes or Tax Returns) that is inconsistent with the agreements set forth in this Section 6.08(d) or any election made pursuant thereto; provided, that nothing herein shall require a Party to contest the decision of a Governmental Authority in court or administrative appeals proceedings or to appeal a court ruling to a court of higher instance.

(e) Tax Proceedings. The Parties agree that Buyer shall have the right to cause the Target Companies that are treated as partnerships for U.S. federal income tax purposes to make an election under Section 6226 of the Code (or, if applicable, any similar provision of state or local Law) with respect to any Pre-Closing Tax Period or Straddle Period. If a claim is made by any Governmental Authority in respect of a Flow-Through Tax Return of any of the Target Companies for a Pre-Closing Tax Period or Straddle Period, Buyer shall promptly and in any event no more than ten (10) days following Buyer's receipt of such claim, give written notice to the Sellers' Representative of such claim. With respect to any such Tax claim relating to a Flow-Through Tax Return for a Pre-Closing Tax Period or Straddle Period, the Sellers' Representative shall have the right to participate in any such Tax claim at the Sellers' expense (with the cost allocable to each Seller based on such Seller's Seller Percentage Allocation). No

Tax claim for a Pre-Closing Tax Period for which the Sellers' Representative is entitled to participate and which is reasonably expected to result in the imposition of more than a de minimis amount of Taxes owed by the Sellers may be settled without the written consent of Sellers' Representative, such consent not to be unreasonably withheld, conditioned or delayed. Buyer, the Seller Parties, the Target Companies and each of their respective Affiliates shall reasonably cooperate with each other in contesting any Tax claim in accordance with this Section 6.08(c) and shall keep each other reasonably informed concerning the progress of proceedings related to Tax claims for Pre-Closing Tax Periods and Straddle Periods. For the avoidance of doubt, Buyer shall not, in connection with any such Tax claim or other proceeding, require Sellers to amend any Tax Returns pursuant to Section 6225(c)(2) (A) of the Code.

(f) Cooperation. Buyer, Merger Sub, the Target Companies, the Seller Parties and their respective Affiliates shall cooperate fully, as and to the extent reasonably requested by the other Parties, in connection with the filing of Tax Returns pursuant to this Section 6.08, any audit, litigation or other proceeding with respect to Taxes, and other Tax matters addressed by this Section 6.08. Such cooperation shall include the retention and (upon another Party's request and cost) the provision of records and information which are reasonably relevant to any such Tax matters and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(g) Seller Tax Matter. Except as otherwise required by applicable Law, as reasonably determined by Buyer, Buyer shall not, and shall not allow any Target Company to, (i) amend, file or re-file any Flow-Through Tax Return for a Pre-Closing Tax Period or Straddle Period, (ii) except to the extent necessary or appropriate to correct any position that is not at least "more likely than not" correct on the merits, initiate any disclosure to, or discussions with, any Governmental Authority regarding any Flow-Through Tax Returns relating to Income Taxes of any Target Company (or any of their Subsidiaries) for a Pre-Closing Tax Period or Straddle Period; provided, that in connection with any such disclosure or discussion, Buyer shall reasonably consult with Sellers' Representative and consider Sellers' Representative's positions in good faith, or (iii) to the extent such action adversely affects the Taxes or Tax Returns of any Target Company, any of their Subsidiaries, or any direct or indirect owner of any such entity for any Pre-Closing Tax Period or Straddle Period, (1) file any ruling request with any Governmental Authority that relates to any Flow-Through Tax Return of any Target Company (or of any of their Subsidiaries) or (2) make or revoke an election on any Flow-Through Tax Return filed after the Closing Date, in each of clauses (i), (ii) or (iii) above, without the prior written consent of the Sellers' Representative (not to be unreasonably withheld, conditioned or delayed), to the extent such action would materially increase the amount of Taxes owed by the Sellers.

(h) Intended Tax Treatment; Allocation.

(i) Intended Tax Treatment. For U.S. federal (and, to the extent applicable, state and local) Income Tax purposes, the Parties intend to and agree to treat the transactions pursuant to and described in this Agreement as follows (the "Intended Tax Treatment"):

(A) the Ghost Beverages Merger as the purchase by Buyer of the Buyer Surviving Company Ownership Percentage (as such term is defined in the Ghost Beverages Merger Agreement) of the equity of Ghost Beverages from [***] (as such term is defined in the Ghost Beverages Merger Agreement) (in an amount equal to [***]'s Seller Percentage Allocation (as such term is defined in the Ghost Beverages Merger Agreement)) and LGND Beverage (in an amount equal to the Buyer Surviving Company Ownership Percentage *minus* [***]'s Seller Percentage Allocation (in each case, as such term is defined in the Ghost Beverages Merger Agreement)) in a transaction governed by Code Section 741;

(B) the LGND Beverage Distribution as a distribution within the meaning of Code Section 736;

(C) the LGND Sports Contribution and Exchange as an “assets over” merger within the meaning of Code Section 708 and the Treasury Regulations thereunder in which Ghost Lifestyle is the “resulting partnership” and LGND Sports terminates;

(D) the Buyer Contribution and Exchange, together with the LGND Beverage Contribution and Exchange, as an “assets over” merger within the meaning of Code Section 708 and the Treasury Regulations thereunder in which Ghost Beverages is the “resulting partnership” and Ghost Lifestyle terminates;

(E) the Ghost Lifestyle Merger as, in part, in part, a recapitalization of the equity of Ghost Lifestyle in which no gain or loss is recognized and in part, to the extent the Closing Consideration is a positive number, a purchase by Buyer of partnership interests of Ghost Lifestyle within the meaning of Code Section 741 and, to the extent the Closing Consideration is a negative number, a “disguised sale” of partnership interests of Ghost Beverages by Buyer to Ghost Lifestyle pursuant to Code Section 707 and related authority.

(F) any payment pursuant to the Mandatory Redemption (x) to the extent paid by Ghost Lifestyle (or a Person disregarded as separate from Ghost Lifestyle for U.S. federal income Tax purposes), as a distribution within the meaning of Code Section 736 and (y) to the extent paid by a Person other than Ghost Lifestyle (or a Person treated as disregarded from Ghost Lifestyle for U.S. federal income Tax purposes), as a purchase by such Person of partnership interests of Ghost Lifestyle within the meaning of Code Section 741; and

(G) the obligations of the Parties to effect the Mandatory Redemption as a part of the Parties’ contractual arrangement under this Agreement to which no value is ascribed or allocated (including, for the avoidance of doubt, in the Purchase Price Allocation Schedule) and which do not constitute a separate financial instrument or other asset of any kind.

The Parties agree not to take any position during the course of any audit or other proceeding inconsistent with the Intended Tax Treatment unless otherwise required by a determination of the applicable Governmental Authority; provided, that nothing herein shall require a Party to contest the decision of a Governmental Authority in court or administrative appeals proceedings or to appeal a court ruling to a court of higher instance.

(ii) Allocation. If Buyer is treated as purchasing equity of Ghost Lifestyle hereunder, then within 60 days of the final determination of Adjustment Amount, Buyer shall provide to the Sellers’ Representative a schedule allocating the purchase price (including the applicable liabilities of Ghost Lifestyle) among the assets of Ghost Lifestyle and its Subsidiaries (the “Purchase Price Allocation Schedule”). The Purchase Price Allocation Schedule will be prepared in accordance with the applicable provisions of the Code and GAAP, to the maximum extent permitted under applicable Tax Law.

(iii) If within 30 days of receiving the Purchase Price Allocation Schedule, the Sellers’ Representative has not objected, the Purchase Price Allocation Schedule shall be final and binding. If within 30 days the Sellers’ Representative objects to the Purchase Price Allocation Schedule, the Sellers’ Representative and Buyer shall cooperate in good faith to resolve their differences, provided, that if after thirty (30) days, the Sellers’ Representative and Buyer are unable to agree, the Parties shall retain the Accounting Firm for resolution in the same manner in which disputes are handled pursuant to Section 2.05(b) (Post-Closing Adjustment); provided, further, that the fees, costs and expenses of the Accounting Firm shall be borne 50% by

Buyer and 50% by the Sellers (based on each such Seller's Seller Percentage Allocation). The determination of the Accounting Firm shall be final and binding on all Parties. The Parties shall make appropriate adjustments to the Purchase Price Allocation Schedule to reflect changes in the purchase price. The Parties agree for all Tax reporting and financial accounting purposes to report the transactions in accordance with the agreements herein and the Purchase Price Allocation Schedule, as adjusted pursuant to the preceding sentence, and to not take any position during the course of any audit or other proceeding inconsistent with the agreements as to Tax treatment herein or with such schedule unless required by a determination of the applicable Governmental Authority; provided, that nothing herein shall require a Party to contest the decision of a Governmental Authority in court or administrative appeals proceedings or to appeal a court ruling to a court of higher instance.

(iv) All Tax sharing agreements and arrangements between or among (A) any of the Target Companies, on the one hand, and (B) any of the Seller Parties or any of their respective Affiliates (other than the Target Companies), on the other hand shall be terminated effective as of the close of business on the Closing Date, and none of the Target Companies, the Seller Parties or any Affiliate thereof shall have any further rights or liabilities thereunder.

Section 6.09 RWI Insurance Policy. As of the date hereof, Buyer has obtained a conditional binder from the RWI Provider in respect of the RWI Insurance Policy, which provides for customary terms and conditions, including, for the avoidance of doubt, (a) the RWI Provider expressly waiving, and agreeing not to pursue, directly or indirectly, any subrogation rights (except in the case of Fraud) against Sellers or the Target Companies with respect to any claim made by any insured thereunder (b) the RWI Provider expressly agreeing that Buyer and its Affiliates shall have no obligation to pursue any claim against the Target Companies in connection with any breach of representations and warranties, and (c) Sellers and the Target Companies being named as third party beneficiaries of the subrogation provisions therein. Prior to the Closing, Buyer will take all actions necessary to complete the conditions in the conditional binder within the times set forth therein such that the RWI Insurance Policy shall be issued as of the Closing and Sellers' Representative, Sellers and the Target Companies shall provide Buyer and its Affiliates with such cooperation as is reasonably requested in relation to the foregoing. Buyer will not and will cause its Affiliates not to, amend, modify or otherwise change, terminate or waive any provision of the RWI Insurance Policy in any manner inconsistent with the foregoing clauses (a) through (c) (including with respect to the waiver of subrogation set forth therein) or in any manner that would increase or expand the ability or rights of the insurer thereunder in any material respect to bring an Action against, or otherwise seek recourse from the Sellers; in each case, without the prior written consent of the Sellers' Representative (not to be unreasonably withheld, conditioned or delayed). Buyer shall be responsible for the payment of any retention, premiums, brokers' commissions, underwriting fees, and other costs and expenses pursuant to the RWI Insurance Policy. Sellers' Representative, Sellers and the Target Companies shall deliver (or cause to be delivered) to Buyer or its designee electronic copies of the virtual data room (as of the Closing Date) maintained in connection with the Transactions as promptly as practicable as required by the express terms of the RWI Insurance Policy.

Section 6.10 Master Distribution Agreement Termination Payment. Buyer covenants and agrees that it shall bear and pay (or pay Ghost Beverages so Ghost Beverages can pay) the [***], up to \$250,000,000. For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, such amount up to \$250,000,000 shall not be factored in as Indebtedness, Transaction Expenses, or a current liability in Working Capital, but any amount in excess of \$250,000,000 shall be treated as Indebtedness hereunder.

Section 6.11 Pre-Closing Reorganization. Each of Sellers' Representative, Seller Parties, and the Target Companies shall cause the transactions constituting the Pre-Closing Reorganization, to be consummated prior to the Closing, and shall share with Buyer any drafts of

any documents or agreements to be entered into in connection therewith, with reasonable advance notice prior to the execution thereof, and shall consider in good faith any reasonable comments made by Buyer to such documents or agreements.

Section 6.12 Terminated Agreements; Related Party Arrangements. Prior to the Closing and unless otherwise agreed in writing by Buyer or as set forth on Schedule 6.12, Ghost Lifestyle and any applicable Seller Party shall, and shall cause each relevant other party, as applicable, to take all actions necessary to terminate, or cause to be terminated, each Related Party Arrangement, effective as of immediately prior to Closing, without any further force or effect or survival of any provision thereunder and without any cost, expense, liability or obligation thereunder to Buyer or its Affiliates following the Closing (including the Target Companies), and shall at or prior to Closing, deliver written evidence to Buyer thereof.

Section 6.13 Resignations. Ghost Lifestyle shall use its reasonable best efforts to obtain resignation and release letter from any officers, directors or managers of the Target Companies (and if any such officer, director or manager is a Seller Party or controlled Affiliate thereof, then such Seller Party shall deliver such resignation and release letter) in the form attached hereto as Exhibit I and shall deliver any such resignation and release letters that are obtained to Buyer at or prior to the Closing.

Section 6.14 Financial Statements.

(a) As soon as available, but in any event within 90 days after the end of each fiscal year prior to the Closing, on an as-reported basis, Ghost Lifestyle shall deliver, or cause to be delivered, to Buyer the audited consolidated balance sheet of Ghost Lifestyle and Ghost Beverages as the end of such fiscal year and the related statement of income for the fiscal year ended on such date, which financial statements shall be prepared in a manner consistent with the Audited Financial Statements;

(b) As soon as available, but in any event within 45 days after the end of each fiscal quarter prior to the Closing, on an as-reported basis, Ghost Lifestyle shall deliver, or cause to be delivered, to Buyer the unaudited consolidated balance sheet of Ghost Lifestyle and Ghost Beverages as the end of such fiscal quarter and the related statement of income for the year to date and quarterly period ended on such date, which financial statements shall be prepared in a manner consistent with the Unaudited Financial Statements; and

(c) As soon as available, but in any event within 30 days after the end of each calendar month prior to the Closing, on an as-reported basis, Ghost Lifestyle shall deliver, or cause to be delivered, to Buyer the unaudited balance sheet of Ghost Lifestyle and Ghost Beverages as the end of such calendar month and the related statement of income for the calendar month ended on such date, which financial statements shall be prepared in a manner consistent with the Monthly Financials Statements.

Section 6.15 Universal Product Codes. From and after the Closing, the Target Companies shall, at Buyer's request, transfer the Universal Product Codes, including any GS1 prefixes and identifiers, to Buyer or one of Buyer's Affiliates and take all appropriate steps to work with Buyer to facilitate the transition of the Universal Product Codes from and after the Closing, including submitting any necessary documentation, including prefix release letters, to GS1 or any other third party necessary to effectuate such a transfer.

Section 6.16 Cybersecurity Matters. Ghost Lifestyle shall, and shall cause the Target Companies to, at the Buyer's sole cost and expense, reasonably cooperate with Buyer and its Representatives so that a third party vendor selected by Buyer shall be able to perform (a) breach detection testing and compromise assessments and (b) configuration assessments, in each case, of the IT Assets, which may include "inside-out" and "outside-in" testing and be sufficiently

comprehensive to identify all issues, risks, threats, deficiencies and vulnerabilities in or relating to the IT Assets, whether internal- or external-facing or Internet exposed, as well as to identify any prior or current Security Incident (collectively, the “Cybersecurity Assessment”); provided, that such reasonable cooperation shall include granting such third party vendor access to, and information concerning, the IT Assets as necessary for the Cybersecurity Assessment.

Section 6.17 [***].

ARTICLE VII

CLOSING CONDITIONS

Section 7.01 Conditions to Obligations of the Parties. The obligations of each Party to consummate the transactions to be performed by it in connection with the Closing are subject to satisfaction (or waiver in writing by Buyer and the Sellers’ Representative) of the following conditions as of the Closing:

(a) Anti-Competition Approval. The HSR Clearance has been received.

(b) Absence of Injunction. As of the Closing, there shall not be any injunction, writ or temporary restraining order or any other legally binding order of any nature issued by a Governmental Authority enjoining or otherwise prohibiting or making illegal the consummation of the Transactions.

(c) Ghost Beverages Merger Closing. The Closing (as defined in each of the Ghost Beverages Merger Agreement) shall have been consummated, in each case in accordance with the terms thereof.

Section 7.02 Conditions to Obligations of Buyer and Ghost Lifestyle Merger Sub. The obligations of Buyer and Ghost Lifestyle Merger Sub to consummate the Transactions are subject to satisfaction (or waiver in writing by Buyer) of the following conditions as of the Closing:

(a) Representations and Warranties. (i) Each of the Fundamental Representations of Ghost Lifestyle and the Seller Parties shall be true and correct in all respects on the date hereof and at and as of the Closing as though such representation or warranty was made at and as of the Closing, except with respect to Section 3.04, for failures to be so true and correct which are de minimis, and (ii) each of the other representations and warranties made by Ghost Lifestyle and the Seller Parties in this Agreement and the Joinders shall be true and correct (disregarding any materiality or Material Adverse Effect qualifications contained therein) in all respects at and as of the date hereof and at and as of the Closing Date, except, in each case, to the extent any such representation or warranty speaks as of a specific date, in which case such representation or warranty shall be, subject to the qualifications set forth above, true and correct in all respects at and as of such specific date, in each case, except for any such failure to be true and correct as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Performance of Covenants. The Target Companies, Sellers’ Representative and the Seller Parties shall have performed and complied in all material respects with all of their respective covenants and agreements required to be performed or complied with by them under this Agreement, any Ancillary Agreement and any Joinder, as applicable, prior to the Closing Date.

(c) No Material Adverse Effect. From the date of this Agreement, there shall not have occurred any Material Adverse Effect.

(d) Officer's Certificate. Buyer shall have received a certificate executed by an officer of each of each Target Company and the Sellers' Representative, dated as of the Closing Date, (i) stating that the closing conditions specified in Section 7.02(a), Section 7.02(b) and Section 7.02(c) have been satisfied, and certifying as to (ii) an attached copy of the resolutions or consent of the Board of Managers of Ghost Lifestyle, authorizing and approving the execution, delivery and performance of, and the consummation of the Transactions, and stating that such resolutions have not been amended, modified, revoked or rescinded and (iii) the incumbency, authority and specimen signature of each officer of each Target Company executing this Agreement on behalf of each Target Company, as applicable.

(e) Deliveries. Each of Ghost Lifestyle, Sellers and the Sellers' Representative shall have delivered or caused to be delivered each item required to be delivered by it pursuant to Section 2.03(b).

(f) Employment Arrangements / Restrictive Covenant Agreements. Each Key Employment Arrangement and Restrictive Covenant Agreement shall not have been repudiated or terminated and shall become effective as of the Closing Date.

(g) Pre-Closing Reorganization. The Pre-Closing Reorganization shall have been completed.

Buyer may waive any condition specified in Section 7.01 or this Section 7.02 if it executes a writing so stating at or prior to the Closing. In addition, any condition specified in Section 7.01 or this Section 7.02 that shall not have been satisfied or waived at or prior to the Closing shall be deemed to have been waived by Buyer if the Closing occurs notwithstanding the failure of such condition to have been satisfied or waived in writing (other than Section 7.02(b) for purposes of ARTICLE IX).

Section 7.03 Conditions to Obligations of the Target Companies and the Sellers. The obligations of each Target Company and the Sellers to consummate the Transactions is subject to satisfaction (or waiver in writing by the Sellers' Representative) of the following conditions as of the Closing:

(a) Representations and Warranties. (i) Each of the Fundamental Representations of the Buyer and Ghost Lifestyle Merger Sub shall be true and correct in all respects on the date hereof and at and as of the Closing as though such representation or warranty was made at and as of the Closing, and (ii) each of the other representations and warranties made by the Buyer and Ghost Lifestyle Merger Sub in this Agreement shall be true and correct (disregarding any materiality or material adverse effect qualifications contained therein) in all respects at and as of the date hereof and at and as of the Closing Date, except, in each case, to the extent any such representation or warranty speaks as of a specific date, in which case such representation or warranty shall be, subject to the qualifications set forth above, true and correct at and as of such specific date, in each case, except for any such failure to be true and correct as would not reasonably be expected to have a material adverse effect on Buyer's or Ghost Lifestyle Merger Sub's ability to consummate the Transactions.

(b) Performance of Covenants. Buyer and Ghost Lifestyle Merger Sub shall have performed and complied with, or shall cause the performance of and compliance with, in all material respects all of its covenants and agreements required to be performed or complied with by it under this Agreement and any Ancillary Agreement, as applicable, prior to the Closing Date.

(c) Officer's Certificate. The Sellers' Representative shall have received a certificate executed by an officer of Buyer, dated as of the Closing Date, (i) stating that the

closing conditions specified in Section 7.03(a) and Section 7.03(b) have been satisfied, and certifying as to (ii) an attached copy of the resolutions or consent of the Board of Directors (or similar governing body) of Buyer and Ghost Lifestyle Merger Sub authorizing and approving the execution, delivery and performance of, and the consummation of the Transactions, and stating that such resolutions have not been amended, modified, revoked or rescinded and (iii) the incumbency, authority and specimen signature of each officer of Buyer and Ghost Lifestyle Merger Sub executing this Agreement on behalf of Buyer and Ghost Lifestyle Merger Sub.

(d) Deliveries. Buyer shall have delivered or caused to be delivered each item required to be delivered by it pursuant to Section 2.03(a).

The Sellers' Representative may waive any condition specified in Section 7.01 or this Section 7.03 if it executes a writing so stating at or prior to the Closing. In addition, any condition specified in Section 7.01 or this Section 7.03 that shall not have been satisfied or waived at or prior to the Closing shall be deemed to have been waived by the Sellers' Representative if the Closing occurs notwithstanding the failure of such condition to have been satisfied or waived in writing.

ARTICLE VIII

TERMINATION; EFFECT OF TERMINATION

Section 8.01 Termination. This Agreement may be terminated at any time prior to the Closing as provided below:

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

(b) by the Sellers' Representative by written notice to Buyer, if there has been a breach or failure to perform on the part of Buyer or Ghost Lifestyle Merger Sub of any representation, warranty, covenant or agreement contained in this Agreement, which breach or failure to perform would cause the conditions set forth in Section 7.03(a) or Section 7.03(b) to not be satisfied at the Closing and which breach or failure to perform, if capable of being cured, shall not have been cured within 15 days following receipt by Buyer of written notice of such breach or failure to perform from the Sellers' Representative (it being understood and hereby agreed that the Sellers' Representative may not terminate this Agreement pursuant to this Section 8.01(b) if such breach or failure to perform is cured within such 15 day period or if any of the Target Companies, Sellers' Representative or the Seller Parties is then in material breach of this Agreement or the Joinders).

(c) by Buyer, by written notice to Sellers' Representative, if there has been a breach or failure to perform on the part of the Target Companies, Sellers' Representative or the Seller Parties of any representation, warranty, covenant or agreement contained in this Agreement or the Joinders, which breach or failure to perform would cause the conditions set forth in Section 7.02 or Section 7.03 to not be satisfied at the Closing and which breach or failure to perform, if capable of being cured, shall not have been cured within 15 days following receipt by the Sellers' Representative of written notice of such breach or failure to perform from Buyer (it being understood and hereby agreed that Buyer may not terminate this Agreement pursuant to this Section 8.01(c) if such breach or failure to perform is cured within such 15 day period or if Buyer or Ghost Lifestyle Merger Sub is then in material breach of this Agreement);

(d) by either the Sellers' Representative, on the one hand, or Buyer, on the other hand, by written notice to the other Party, if a Governmental Authority shall have issued a nonappealable final order, decree or ruling or taken any other action having the effect of permanently restraining, enjoining or otherwise prohibiting the Transactions; or

(e) by Buyer, by written notice to the Sellers' Representative, if Joinders, duly executed by (i) Sellers (which shall include [***]) representing 90% of the outstanding equity of Ghost Lifestyle on a fully-diluted basis as of immediately prior to Closing (including, for the avoidance of doubt, prior to the Buyer Contribution and Exchange) and (ii) each LGND Sports Seller, have not been delivered to Buyer within 24 hours after the execution and delivery of this Agreement; or

(f) by either the Sellers' Representative, on one hand, or Buyer, on the other hand, by written notice to the other Party, if the Transactions have not been consummated by the day that is [***] (the "Outside Date"); provided, that if all of the conditions set forth in ARTICLE VII have been satisfied or waived prior to the Outside Date (other than (x) the conditions set forth in Section 7.01(a) or Section 7.01(b) (with respect to Section 7.01(b), solely to the extent the applicable injunction, writ or temporary restraining order or other legally binding order arises under or in connection with applicable Antitrust Laws) and (y) the conditions that, by their nature, cannot be satisfied until the Closing, which conditions would be capable of satisfaction if the Closing were to occur on the Outside Date), then the Sellers' Representative, on one hand, or Buyer, on the other hand, shall each have the option (in its sole discretion) to extend the Outside Date to a date that is [***], with such option to be exercised by providing written notice to the other Party of such exercise; provided, further, that (i) Sellers' Representative shall not be entitled to terminate this Agreement pursuant to this Section 8.01(f) if a breach of this Agreement by the Target Companies, Sellers' Representative or the Seller Parties has prevented the consummation of the Transactions to have occurred by the Outside Date and (ii) Buyer shall not be entitled to terminate this Agreement pursuant to this Section 8.01(f) if a breach of this Agreement by Buyer or Ghost Lifestyle Merger Sub has prevented the consummation of the Transactions to have occurred by the Outside Date. In the event that both Buyer and the Sellers' Representative properly exercise their right to extend the Outside Date pursuant to this Section 8.01(f), then the Outside Date shall be extended to the later date in Buyer and Sellers' Representative's extension notices.

Section 8.02 Effect of Termination. Except for the provisions of this Section 8.02, Section 6.02 (Press Releases), Section 6.03 (Confidentiality), and ARTICLE X (Miscellaneous), which shall survive any termination of this Agreement, in the event of the termination of this Agreement, this Agreement shall thereafter become void and have no effect, and none of the Parties shall have any liability to any other Party (or other Person); provided that notwithstanding the foregoing, no such termination shall relieve any Party of any liability to any other Party resulting from Fraud or willful breach of this Agreement prior to such termination.

Section 8.03 Termination Fee

(a) In the event (i) this Agreement is validly terminated by the Sellers' Representative or Buyer pursuant to Section 8.01(d) (solely to the extent the applicable final order, decree or ruling or other action arises under or in connection with applicable Antitrust Laws) or Section 8.01(f) and (ii) at the time of such termination all of the conditions set forth in ARTICLE VII (other than the conditions set forth in Section 7.01(a) or Section 7.01(b) (with respect to Section 7.01(b), solely to the extent the applicable injunction, writ or temporary restraining order or other legally binding order arises under or in connection with applicable Antitrust Laws)) and any conditions that, by their nature, cannot be satisfied until the Closing, which conditions would be capable of satisfaction if the Closing were to occur on the date of such termination) have been satisfied or waived as of the date of such termination and (iii) between the date of this Agreement and the date of such termination, Buyer has entered into a binding Contract with respect to the acquisition of a Person engaged in the business of producing, manufacturing and selling energy drinks, then following such termination, Buyer shall pay or cause to be paid an aggregate amount equal to [***] (the "Termination Fee"), to Ghost Lifestyle, by wire transfer of immediately available funds, to an account specified by Ghost Lifestyle. Promptly following receipt of such Termination Fee by Ghost Lifestyle, Ghost

Lifestyle shall transfer to Ghost Beverages an amount equal to (x) the Ghost Lifestyle Buyer Exchanged Equity Percentage multiplied by (y) the Termination Fee.

(b) The Parties acknowledge and agree that (i) in no event shall Buyer be required to pay the Termination Fee on more than one occasion, and (ii) the agreements set forth in this Section 8.03 are an integral part of the Transactions and that, without these agreements, the Parties would not enter into this Agreement.

(c) Notwithstanding anything to the contrary contained herein, in the event that the Termination Fee is actually paid by or on behalf of Buyer to Ghost Lifestyle, such payment of the Termination Fee shall constitute liquidated damages and be the sole and exclusive remedy of Sellers, the Sellers' Representative, Ghost Lifestyle, any other Target Company or any of their respective Affiliates, equityholders or Representatives against Buyer or any of its Affiliates or their respective Representatives, for all Losses in respect of this Agreement (or the termination thereof) or the Transactions or the Ancillary Agreements, or any breach of any covenant or agreement or otherwise in respect of this Agreement or any representation (whether oral or written) made or alleged to be made in connection herewith, and, notwithstanding anything to the contrary set forth herein (including Section 8.02), upon payment of the Termination Fee by or on behalf of Buyer, none of Buyer or any of its Affiliates or their respective Representatives shall have any further liability or obligation relating to or arising out of this Agreement or the Transactions or the Ancillary Agreements, and none of Sellers, the Sellers' Representative, Ghost Lifestyle, any other Target Company or any of their respective Affiliates, equityholders or Representatives shall seek or be entitled to seek or recover any other damages; provided, however, that, this clause (c) shall not apply to the provisions of this Agreement that expressly survive termination pursuant to Section 8.02.

ARTICLE IX

INDEMNIFICATION

Section 9.01 Survival. The representations and warranties of the Parties contained in this Agreement and in any certificate delivered pursuant to this Agreement shall terminate and be of no further force or effect at Closing. None of the Parties nor any of their respective Affiliates or Representatives shall have recourse against any other Party, their Affiliates or their respective Representatives, following the Closing for any breach of or inaccuracy in any representation or warranty herein, in any Joinder, or in any certificate delivered pursuant hereto (except with respect to Fraud). [***]. Notwithstanding the foregoing, if a Claim Notice alleging in good faith the existence of a claim under this ARTICLE IX has been given prior to any applicable survival date by Buyer, then such claim shall survive until such claim has been fully and finally resolved.

Section 9.02 Indemnification by the Sellers. Each Seller (each, an "Indemnifying Party") agrees (subject in each case to Section 9.04(b)), severally (based on such Seller's applicable Indemnity Percentage Allocation) and not jointly, to indemnify and hold harmless Buyer and its Affiliates and their respective Affiliates, Representatives, successors and assigns (each, an "Indemnified Party") from and against any and all Liabilities, losses, Taxes, damages, claims, costs and expenses (including reasonable attorneys' fees and other reasonable professionals' fees and other reasonable costs of defense), interest, awards, judgments and penalties (collectively, "Losses"), arising out of or resulting from:

(a) the failure of the Seller Parties, Sellers' Representative or the Target Companies to perform (i) except with respect to the covenants and agreements set forth in Section 6.15, any of their respective covenants or agreements contained in this Agreement that are to be performed following the Closing or (ii) any of their respective covenants or agreements contained in Section 5.01(b);

(b) the Pre-Closing Reorganization;

(c) (i) any Action or threatened Action brought by any equityholder (or any Affiliate or Representative thereof) of Ghost Lifestyle or any of its Affiliates (including Ghost Beverages and Ghost Protein), against Buyer, Ghost Lifestyle, any Target Company or any of their respective Affiliates or Representatives in connection with or with respect to the Transactions or any Ancillary Agreement (including the Ghost Beverages Merger Agreement), or [***];

(d) except with respect to Tax positions, practices and principles, including applicable jurisdictions, reporting positions, elections and accounting methods, reflected in the Pre-Closing Tax Liability Amount (which for the avoidance of doubt, may change until the final determination of the Closing Consideration hereunder and cannot change after the Adjustment Amount is finalized pursuant to the terms of Section 2.06), any error, inaccuracy or omission, in the Closing Date Payment Schedule hereunder or under the Ghost Beverages Merger Agreement;

(e) [***];

(f) any Fraud; or

(g) [***].

Section 9.03 Indemnification Procedures.

(a) Any claims for indemnification (a “Claim”) pursuant to this ARTICLE IX shall be made in accordance with the procedures set forth in this Section 9.03. The Indemnified Party shall give the Sellers’ Representative written notice of any such Claim (a “Claim Notice”), which notice shall include a description in reasonable detail of (i) the basis for, and nature of, such Claim, including the facts constituting the basis for such Claim, and (ii) the estimated amount of the Losses that have been or may be sustained by the Indemnified Party in connection with such Claim (or a statement that the amount of Losses is not reasonably ascertainable); provided, however, that any such Claim Notice need only specify such information to the knowledge of the Indemnified Party as of the date of such Claim Notice and shall not limit or prejudice any of the rights or remedies of any Indemnified Party on the basis of any limitations on the information included in such Claim Notice, including any such limitations made in good faith to preserve the attorney-client privilege, work product doctrine or any other privilege. Any Claim Notice shall be given by the Indemnified Party to the Sellers’ Representative, (A) in the case of a Claim in connection with any Action made or brought by any Person (other than an Equityholder Claim) against such Indemnified Party (a “Third-Party Claim”), reasonably promptly following receipt of notice of the assertion or commencement of such Action, and (B) in the case of a Claim other than a Third-Party Claim (a “Direct Claim”), reasonably promptly after the Indemnified Party determines that it intends to seek indemnification for such Direct Claim; provided, however, that no failure to give such reasonably prompt written notice shall relieve the Indemnifying Party of any of its indemnification obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure.

(b) For the avoidance of doubt and notwithstanding anything to the contrary herein, any Equityholder Claim shall not be a Third-Party Claim and the Indemnifying Party shall not have any right to assume control of the defense of any Equityholder Claim (which shall in all cases be controlled by or at the direction of the Indemnified Party). With respect to any Third-Party Claim, the Indemnifying Party shall have the right, by giving written notice to the Indemnified Party within 30 days after delivery of the Claim Notice with respect to such Third-Party Claim, to assume control of the defense of such Third-Party Claim at the Indemnifying Party’s expense with counsel of its choosing that is reasonably satisfactory to the Indemnified Party; provided, however, that such Indemnifying Party shall only have the right to control the

defense of any Third-Party Claim if it acknowledges in writing to the Indemnified Party of the Indemnifying Party's irrevocable and unconditional obligation to indemnify the Indemnified Party hereunder against any Losses that may result from such Third-Party Claim (subject only to the limitations set forth in Section 9.04); provided, further, that such Indemnifying Party shall not have the right to control the defense of any Third-Party Claim that (i) seeks any injunctive or other equitable relief against the Indemnified Party, (ii) seeks monetary damages the amount of which would reasonably be expected to exceed the total amount then remaining of the Indemnity Escrow Amount, (iii) has been brought by or on behalf of a material customer or supplier of any Target Company or any other Person having a material business relationship with any Target Company, (iv) relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (v) relates to Taxes (which are the subject matter of ARTICLE VII), or (vi) the Indemnifying Party has failed or is failing to prosecute or defend vigorously. If the Indemnified Party is not controlling such defense, it shall have the right, at its own cost and expense, to participate in the defense of any Third-Party Claim with counsel selected by it; provided, however, that if, in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to the Indemnified Party that are different from or additional to those available to the Indemnifying Party or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party, the Indemnifying Party shall be liable for the reasonable fees and expenses of separate counsel (including advancement thereof) to the Indemnified Party in each jurisdiction in which the Indemnified Party reasonably determines counsel is required. If the Indemnifying Party elects not to control the defense of such Third-Party Claim (including by failing to promptly notify the Indemnified Party in writing of its election to control such defense in accordance with this Section 9.03(b)) or fails to diligently prosecute the defense of such Third-Party Claim, the Indemnified Party may control the defense of such Third-Party Claim with counsel of its choosing, and the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel (including advancement thereof) to the Indemnified Party in each jurisdiction in which the Indemnified Party reasonably determines counsel is required. Each of the Indemnified Parties and Indemnifying Parties shall reasonably cooperate with each other in connection with the defense of any Third-Party Claim or Equityholder Claim, including by retaining and providing to the Party controlling such defense, records and information that are reasonably relevant to such Third-Party Claim or Equityholder Claim; provided that neither Party shall be required to furnish any such information which would (in the reasonable judgment of such Party upon advice of counsel) be reasonably likely to (x) waive any privileges, including the attorney-client privilege, held by such Party or any of its Affiliates or (y) breach any duty of confidentiality owed to any Person (whether such duty arises contractually, statutorily or otherwise) or any Contract with any other Person or violate any applicable Law (provided, further, however, that such Party shall use commercially reasonable efforts to obtain any required consents and take such other reasonable action to permit such access). The Indemnified Party or Indemnifying Party, as the case may be, that is controlling such defense shall keep the other Party reasonably advised of the status of such Action and the defense thereof and shall consider in good faith any recommendations made by the other Party with respect thereto.

(c) Notwithstanding anything in this Agreement to the contrary, an Indemnifying Party shall not agree to any settlement on behalf of the Indemnified Party of any Third-Party Claim that the Indemnifying Party controls without the prior written consent of the Indemnified Party, unless such settlement would (i) include a complete and unconditional release of each Indemnified Party from all Liabilities or obligations with respect thereto, (ii) not impose any Liability or obligation (including any equitable remedies) on any Indemnified Party other than monetary damages paid in full by the Indemnifying Party from the Indemnity Escrow Amount, (iii) not involve a finding or admission of any wrongdoing on the part of any Indemnified Party and (iv) be paid in full through the Indemnity Escrow Amount.

(d) With respect to any Direct Claim, the Indemnifying Party shall have 30 days after its receipt of such Claim Notice to respond in writing to such Direct Claim, either (i)

agreeing that the Indemnified Party is entitled to indemnification in respect of the amount of Losses set forth in the Claim Notice (the “Claimed Amount”) or (ii) disputing that the Indemnified Party is entitled to indemnification in respect of any or all of the Claimed Amount and the basis for such dispute. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected and disputed such Direct Claim. If the Indemnifying Party disputes only a portion of the Claimed Amount and does not dispute the balance of such Claimed Amount, then the portion of such Loss not in dispute shall be promptly paid by or on behalf of the Indemnifying Party to the Indemnified Party pursuant to and in accordance with the provisions herein.

Section 9.04 Limits on Indemnification.

(a) No Indemnified Party shall be entitled to indemnification pursuant to Section 9.02(a), Section 9.02(b), Section 9.02(c), Section 9.02(d), Section 9.02(e), or Section 9.02(g) in excess of the aggregate consideration payable by Buyer or its Affiliates under this Agreement and/or the Transactions, and the Ghost Beverages Merger Agreement and transactions contemplated thereby, which shall include, for the avoidance of doubt, the aggregate Redemption Price payable pursuant to the Mandatory Redemption (provided, that with respect to amounts payable pursuant to the Mandatory Redemption they must be recovered by offset against Mandatory Redemption as allowed by the terms of the Ghost Lifestyle Second Amended and Restated LLC Agreement).

(b) No Indemnifying Party shall be liable under Section 9.02 in excess of the gross proceeds received or to be received, directly or indirectly, by such Indemnifying Party in connection this Agreement and/or the Transactions, and the Ghost Beverages Merger Agreement and transactions contemplated thereby, which shall include, for the avoidance of doubt, the aggregate Redemption Price payable to an Indemnifying Party pursuant to the Mandatory Redemption (provided, that with respect to amounts payable pursuant to the Mandatory Redemption they must be recovered by offset against Mandatory Redemption as allowed by the terms of the Ghost Lifestyle Second Amended and Restated LLC Agreement).

(c) No Indemnifying Party shall exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or other right or remedy against any Target Company in connection with any indemnification obligation or any other Liability to which any Indemnified Party may become subject under or in connection with this Agreement.

(d) An Indemnified Party shall use its commercially reasonable efforts to mitigate (consistent with its common law duty to do so) any Losses for which it is entitled to indemnification pursuant to this ARTICLE IX.

(e) Any Loss under this Agreement shall be determined without duplication of recovery by reason of the state of facts giving rise to such same Loss constituting a breach of both this Agreement and the Ghost Lifestyle Merger Agreement. The Parties expressly agree and acknowledge that the intent of this provision is to prevent double recovery for the same Loss notwithstanding that such Loss may be covered by multiple agreements; provided that any portion of such Loss that is not covered in full under either agreement may be recoverable under the other agreement.

Section 9.05 Recovery; Release of Indemnity Escrow Amount. In the event of any Claim by the Indemnified Parties hereunder, the Indemnified Parties shall be entitled to seek payment from each of the following in the following sequence and order of priority: (a) the RWI Policy (if and to the extent such Claim is covered under the RWI Policy); (b) the Indemnity Escrow Amount; (c) as a set-off against any portion of the Redemption Price payable to any Indemnifying Party pursuant to the Mandatory Redemption; or (d) any of the Seller Parties directly (subject in each case to Section 9.04(b)), severally (based on such Seller Party’s

Indemnity Percentage Allocation) and not jointly. On the date that is [***] following the Closing Date (the “First Escrow Release Date”), Buyer and Sellers’ Representative shall jointly direct the Escrow Agent, in accordance with the provisions of the Escrow Agreement, to pay to the Paying Agent for further distribution to Sellers, an amount in cash equal to (i) 60% of the Indemnity Escrow Amount *minus* (ii) the sum of (x) the aggregate amount of Indemnity Escrow Amount disbursed or agreed to be disbursed (but not yet disbursed) to Indemnified Parties in respect of Claims made prior to the First Escrow Release Date *plus* (y) the aggregate amount of any Pending Claims as of the First Escrow Release Date. On the date that is [***] following the Closing Date (the “Final Escrow Release Date”), Buyer and Sellers’ Representative shall jointly direct the Escrow Agent, in accordance with the provisions of the Escrow Agreement, to pay to the Paying Agent for further distribution to Sellers, an amount in cash equal to (A) any remaining balance of the Indemnity Escrow Amount in the Indemnity Escrow Account, if any, *minus* (B) the sum of (x) the aggregate amount of Indemnity Escrow Amount agreed to be disbursed (but not yet disbursed) to Indemnified Parties in respect of Claims made prior to the Final Escrow Release Date *plus* (y) the aggregate amount of any Pending Claims as of the Final Escrow Release Date. [***]. Following the receipt by Paying Agent of any amounts pursuant to this Section 9.05, the Sellers’ Representative and Buyer shall jointly direct the Paying Agent to, and the Paying Agent shall, distribute such amounts to the Sellers in accordance with this Agreement, the Paying Agent Agreement and each such Seller’s Seller Percentage Allocation.

Section 9.06 Effect of Investigation. An Indemnified Party’s right to indemnification pursuant to this ARTICLE IX shall not be affected by any investigation conducted or information or knowledge acquired or obtained (or capable of being acquired or obtained) at any time (whether before or after the execution and delivery of this Agreement) by an Indemnified Party’s or its Affiliates or their respective Affiliates or Representatives with respect to the accuracy or inaccuracy of or compliance with any representation, warranty, covenant or agreement contained in this Agreement or otherwise. Any investigation by an Indemnified Party or its Affiliates or their respective Affiliates or Representatives shall be for such Indemnified Party’s own protection only and shall not affect or impair any Indemnified Party’s right to indemnification pursuant to this ARTICLE IX.

Section 9.07 Exclusive Remedies. The Parties acknowledge and agree that, from and after Closing, their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud or with respect to injunctive relief relating to a breach of any covenant, agreement or obligation contemplated to be performed following the Closing) for any breach of any covenant, agreement or obligation set forth in this Agreement, in each case contemplated to be performed in full prior to the Closing, shall be pursuant to the indemnification provisions set forth in this ARTICLE IX.

Section 9.08 Third Party Beneficiaries. The Indemnified Parties are intended third party beneficiaries of this ARTICLE IX, and Buyer shall have the right to enforce the provisions in this ARTICLE IX on behalf of the Indemnified Parties.

ARTICLE X

MISCELLANEOUS

Section 10.01 Sellers’ Representative.

(a) Each Seller by virtue of its execution and delivery of this Agreement (including a Joinder), the execution of the applicable Letters of Transmittal and/or its acceptance of any portion of the consideration contemplated by Section 2.01(g)(ii), hereby irrevocably nominates, constitutes and appoints the Sellers’ Representative as the exclusive agent, agent for service of process and true and lawful attorney-in-fact of the Sellers, with full power of substitution, to act in the name, place and stead of such Seller with respect to this Agreement, the

Escrow Agreement, and the Paying Agent Agreement and the Joinders, and authorizes and directs the Sellers' Representative to take any and all actions and make any decisions required or permitted to be taken or made by any Seller under this Agreement, the Escrow Agreement, or the Paying Agent Agreement, including the exercise of the power to: (i) execute, deliver, acknowledge, certify and file (in the name of any or all of the Sellers or otherwise) any and all documents, including the Escrow Agreement and the Paying Agent Agreement, and to take any and all actions that the Sellers' Representative may, in his sole discretion, determine to be necessary, desirable or appropriate in connection with any matter covered herein, including in Section 2.05(b) (including negotiating, entering into compromises or settlements of and demanding arbitration with respect to any such matters covered in Section 2.05(b)); (ii) execute, deliver, acknowledge, certify and file (in the name of any or all of the Sellers or otherwise) any and all documents and to take any and all actions that the Sellers' Representative may, in his sole discretion, determine to be necessary, desirable or appropriate in connection with any claim for indemnification, compensation or reimbursement under ARTICLE IX or otherwise relating to the subject matter of this Agreement; (iii) give and receive notices and communications under this Agreement, the Escrow Agreement and the Paying Agent Agreement, (iv) consent to any amendment to this Agreement, the Escrow Agreement and the Paying Agent Agreement and/or waiver of any claim or any power, right, privilege or remedy under this Agreement, the Escrow Agreement and the Paying Agent Agreement, in each case on behalf of any Seller, (v) incur any costs and expenses on behalf of any or all of the Sellers or otherwise, (vi) make all determinations which may be required or permitted by this Agreement, the Escrow Agreement and the Paying Agent Agreement, (vii) exercise such other rights, power and authority as are authorized, delegated or granted to the Sellers' Representative hereunder or in any Joinder, and (viii) exercise such rights, power and authority as are incidental to the foregoing. The Sellers' Representative hereby accepts his appointment as the Sellers' Representative. Notwithstanding the foregoing, nothing in this Section 10.01 shall be deemed to be a grant of a power-of-attorney by [***] to execute any document, certification or similar instrument in the name of [***].

(b) The power of attorney granted in this Section 10.01 (i) is coupled with an interest and is irrevocable; (ii) may be delegated by the Sellers' Representative; (iii) shall survive the death, incapacity, dissolution or liquidation of each of the Sellers and (iv) shall survive the delivery of an assignment by any Seller of the whole or any fraction of his, her or its interest in any amounts to the paid to such Seller following the Closing pursuant to this Agreement.

(c) Notwithstanding anything to the contrary contained in this Agreement, Buyer and its Affiliates (including any Indemnified Party and following the Closing, the Target Companies) shall be entitled to (i) deal exclusively with the Sellers' Representative on all matters relating to this Agreement as contemplated herein, including Section 2.05(b) and ARTICLE IX, the Escrow Agreement, and the Paying Agent Agreement, and (ii) to rely conclusively (without further evidence of any kind whatsoever) on any document delivered, executed or purported to be executed on behalf of any Seller by the Sellers' Representative, and on any other action, decision, instruction, consent or direction given or taken or purported to be given or taken on behalf of any Seller by the Sellers' Representative (including any amendment, extension or waiver of this Agreement, the Escrow Agreement, or the Paying Agent Agreement as permitted hereunder or thereunder), as final, conclusive and fully binding upon such Seller as if such Seller had taken such actions. Each Seller, by virtue of its execution and delivery of this Agreement (including a Joinder), the execution of the applicable Letters of Transmittal and/or its acceptance of any portion of the consideration contemplated by Section 2.01(g)(ii), hereby agrees that any such actions taken, exercises of rights, power or authority, and any decision or determination made by the Sellers' Representative consistent therewith, shall be absolutely and irrevocably binding on each Seller and his, her or its successors, as if such Seller and his, her, or its successors personally had taken such action, exercised such rights, power or authority or made such decision or determination in such Seller's or his, her or its successor's capacity and all defenses which may be available to any such Seller or any of his, her or its successors to contest, negate or disaffirm the action of the Sellers' Representative properly taken under this

Agreement, the Escrow Agreement, the Paying Agent Agreement, or the Joinders are hereby irrevocably waived.

(d) The Sellers' Representative may at any time designate a replacement Sellers' Representative and each Seller, by virtue of his, her or its execution and delivery of this Agreement (including a Joinder), the execution of the applicable Letters of Transmittal and/or its acceptance of any portion of the consideration contemplated by Section 2.01(g)(ii), hereby consents to such replacement Sellers' Representative. If the Sellers' Representative shall dissolve or liquidate or otherwise become unable to fulfill his responsibilities as representative of the Sellers, then the Sellers shall, by vote of Sellers representing a majority of all Seller's Sellers Percentage Interests, within 15 days after such dissolution, liquidation or other event, appoint a successor representative and, promptly thereafter, shall notify Buyer of the identity of such successor. Any such successor shall become the "Sellers' Representative" for purposes of this Agreement. If for any reason there is no Sellers' Representative at any time (including during such period after the dissolution, liquidation or other event), all references herein to the Sellers' Representative shall be deemed to refer to the holders of a majority of the outstanding voting equity of Ghost Lifestyle, determined as of the date of this Agreement.

(e) No bond shall be required of the Sellers' Representative, and the Sellers' Representative shall receive no compensation for his services. The Sellers' Representative shall not be liable to any Seller for any act done or omitted hereunder as the Sellers' Representative while acting in good faith and in the exercise of its reasonable business judgment with respect to any matter arising out of or in connection with the acceptance or administration of its duties hereunder or any Joinder (it being understood that any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith). The Sellers' Representative shall be entitled to be indemnified by the Sellers, on a several (based on such Seller's Seller Percentage Allocation) but not joint basis, for any loss, liability or expense incurred without gross negligence or willful misconduct on the part of the Sellers' Representative with respect to any matter arising out of or in connection with the acceptance or administration of its duties hereunder. The Sellers agree to set aside [***] ("Sellers' Holdback") from the Closing Date Payments to pay for the reasonable out-of-pocket costs and expenses of Sellers' Representative in good faith and in connection with actions taken by the Sellers' Representative pursuant to this Agreement or any Ancillary Agreement (including the hiring of legal counsel and the incurring of legal fees and costs). The Sellers acknowledge that the Sellers' Representative shall not be required to expend or risk its own funds or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges or administration of its duties as the Sellers' Representative hereunder.

(f) The Sellers' Holdback shall be retained by the Sellers' Representative for such time as the Sellers' Representative shall determine in his sole discretion. As soon as practicable following the completion of the Sellers' Representative's responsibilities, the Sellers' Representative will deliver the aggregate amount of funds constituting the remaining amount of the Sellers' Holdback to each Seller (based on such Sellers' Seller Percentage Allocation).

(g) Each Seller, by virtue of its execution and delivery of this Agreement (including a Joinder), the execution of the applicable Letters of Transmittal and/or its acceptance of any portion of the consideration contemplated by Section 2.01(g)(ii), hereby agrees that notices or communications to or from the Sellers' Representative shall constitute notice to or from the Sellers for purposes of this Agreement, the Escrow Agreement or the Paying Agent Agreement.

Section 10.02 No Third Party Beneficiaries. Except as set forth in Section 6.06 (Directors' and Officers' Indemnification) and ARTICLE IX, this Agreement is not intended to, and shall not, confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Each Seller, by virtue of its execution and delivery

of this Agreement (including a Joinder), the execution of the applicable Letters of Transmittal and/or its acceptance of any portion of the consideration contemplated by Section 2.01(g)(ii), acknowledges and agrees that other than in respect of such Seller's right to receive the its portion of the Closing Date Payment in accordance with Section 2.01(g)(ii) and Section 2.04, any other right and remedies of such Seller under this Agreement shall be exercisable solely by the Sellers' Representative or, prior to Closing, Ghost Lifestyle.

Section 10.03 Equitable Remedies. The rights and remedies of the Parties shall be cumulative (and not alternative). The Parties agree that, in the event of any breach or threatened breach by any Party of any covenant, obligation or other provision set forth in this Agreement: (a) the other Parties shall be entitled, without proof of actual damages, and without being required to prove that money damages are an inadequate remedy (in addition to any other remedy that may be available to them) to (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision and (ii) an injunction restraining such breach or threatened breach; and (b) the other Parties shall not be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related Action. The Parties further agree not to assert that a remedy of specific performance or an injunction is unenforceable, invalid, contrary to law or inequitable for any reason.

Section 10.04 Entire Agreement. This Agreement, including the Exhibits, Annexes and Schedules (including Disclosure Schedules), and the documents referred to herein, including the other Ancillary Agreements, constitute the entire agreement among the Parties and supersede any prior understandings, agreements or representations by or among the Parties, written or oral, that may have related in any way to the subject matter hereof.

Section 10.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign this Agreement or any of its rights or interests, or delegate any of its obligations, hereunder without the prior written consent of the other Parties; provided, that the Sellers' Representative may assign his rights and obligations hereunder as provided in Section 10.01; provided, further, that Buyer and Ghost Lifestyle Merger Sub may assign any of their respective rights and obligations hereunder to any of their respective Affiliates, it being acknowledged and agreed that any such assignment will not relieve Buyer and Ghost Lifestyle Merger Sub of their respective obligations under this Agreement.

Section 10.06 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement and any amendments hereto, to the extent signed and delivered by means of digital imaging and electronic mail or .pdf or DocuSign, shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

Section 10.07 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 10.08 Notices. All notices, requests, consents, waivers and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt, mailed by prepaid first class certified mail, return receipt requested, electronic mail, or mailed by prepaid overnight courier, to the Parties at the following addresses:

If to the Target Companies (prior to Closing), the Seller Parties or the Sellers' Representative:

Ghost Lifestyle LLC
400 North State Street
Chicago, Illinois 60654
Email: [***]
Attention: [***]

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

Winston & Strawn LLP
333 South Grand Avenue
Los Angeles, California 90071
Email: evadavis@winston.com; bmace@winston.com
Attention: Eva H. Davis; Brendan Mace

If to Buyer or the Target Companies (after Closing):

The American Bottling Company
c/o Keurig Dr Pepper
6425 Hall of Fame Lane
Frisco, Texas 75034
Email: anthony.shoemaker@kdrp.com
Attention: Anthony Shoemaker, General Counsel

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

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Email: kspoerri@cgsh.com, msaliba@cgsh.com
Attention: Kimberly Spoerri; Michael Saliba

All such notices, requests and other communications will (a) if delivered personally to the address as provided in this Section 10.08, or by electronic mail to the email address as provided for in this Section 10.08, be deemed given on the day so delivered, or, if delivered after 5:00 p.m. Eastern time or on a day other than a Business Day, then on the next following Business Day, (b) if delivered by mail in the manner described above to the address as provided in this Section 10.08, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (c) if delivered by overnight courier to the address as provided for in this Section 10.08, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt, in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 10.08. Any Party from time to time may change its address, email address or other information for the purpose of notices to that Party by giving notice specifying such change to the other Parties; provided that notice to any Seller will be deemed provided to

such Seller in accordance with this Agreement if it is provided to Sellers' Representative in accordance with this Section 10.08.

Section 10.09 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic Laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

Section 10.10 Consent to Jurisdiction; Waiver of Jury Trial. Any Action arising out of or relating to this Agreement (including the enforcement of any provision of this Agreement), the Transactions or the legal relationship of the Parties (whether at Law or in equity, whether in contract or in tort or otherwise), including an Action based upon Fraud, shall be brought or otherwise commenced exclusively in a state or federal court located in the State of Delaware. Each Party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in Section 10.08 above shall be effective service of process for any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction in this Section 10.10. Each Party: (a) expressly and irrevocably consents and submits to the exclusive jurisdiction of each state and federal court located in the State of Delaware (and each appellate court located in the State of Delaware) in connection with any such Action; (b) agrees that each state and federal court located in the State of Delaware shall be deemed to be a convenient forum; (c) agrees not to assert (by way of motion, as a defense or otherwise), in any such Action commenced in any state or federal court located in the State of Delaware, any claim that such party is not subject personally to the jurisdiction of such court, that such Action has been brought in an inconvenient forum, that the venue of such Action is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court; and (d) agrees that it will not bring any such Action in any court other than a state or federal court located in the State of Delaware. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS, WHETHER ARISING IN CONTRACT OR IN TORT OR OTHERWISE. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.10.

Section 10.11 Amendments. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer, Ghost Lifestyle and the Sellers' Representative.

Section 10.12 Waivers. No Party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Party (provided that for such purposes, the Sellers' Representative may act on behalf of any Seller). No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty, covenant or agreement hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 10.13 Incorporation of Exhibits, Annexes and Schedules. The Exhibits, Annexes and Schedules (including Disclosure Schedules) identified in this Agreement are incorporated herein by reference and made a part hereof.

Section 10.14 Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

Section 10.15 Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the Transactions are not affected in a manner adverse in any material respect to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify or replace such term or provision so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable Law so long as the economic and legal substance of the Transactions are not affected in a manner adverse in any material respect to any Party.

Section 10.16 Interpretation. Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender or the neuter; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement; (iv) the terms “Article” or “Section” refer to the specified Article or Section of this Agreement, (v) the word “including” means “including without limitation” and (vi) any reference herein to the “date hereof” or “date of this Agreement” shall refer to the date of the Original CMA. Any reference to this Agreement shall include the Joinders, unless context requires otherwise.

Section 10.17 Disclosure Schedules. The information set forth in each section or subsection of the Disclosure Schedules to this Agreement, delivered on the date of the Original CMA (the “Disclosure Schedules”) shall be arranged in separate parts and shall only be deemed to provide the information contemplated by, or otherwise qualify, the representations and warranties set forth in (a) the corresponding section or subsection of this Agreement, and (b) any other section or subsection of this Agreement, if it could reasonably be concluded on its face that such information applies to such other section or subsection of this Agreement. The mere listing of a document or other item in, or attachment of a copy thereof to, the Disclosure Schedules will not be deemed adequate to disclose an exception to a representation or warranty made in this Agreement (except to the extent the representation or warranty pertains directly to the existence of the document or other item itself).

Section 10.18 Costs and Expenses. Except as otherwise expressly provided in this Agreement, each Party shall be solely responsible for the payment of any fees, costs and expenses incurred by such Party or its Affiliates in connection with this Agreement, the Transactions or otherwise required by applicable Law.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Contribution and Merger Agreement as of the date first written above.

BUYER:

THE AMERICAN BOTTLING COMPANY

By: /s/ Justin Whitmore

Name: Justin Whitmore

Title: Chief Strategy Officer

GHOST LIFESTYLE MERGER SUB:

PHANTOM MERGER SUB I LLC

By: /s/ Justin Whitmore

Name: Justin Whitmore

Title: Chief Strategy Officer

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Contribution and Merger Agreement as of the date first written above.

GHOST LIFESTYLE:

GHOST LIFESTYLE LLC

By: /s/ Dan Lourenco
Name: Dan Lourenco
Title: Chief Executive Officer

[Signature Page to Amended and Restated Ghost Lifestyle Contribution and Merger Agreement]

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Contribution and Merger Agreement as of the date first written above.

LGND SPORTS SELLERS:

MONK ENGINE LLC

By: /s/ Dan Lourenco
Name: Dan Lourenco
Title: Chief Executive Officer

DUNK LLC

By: /s/ Ryan Hughes
Name: Ryan Hughes
Title: Authorized Signatory

[Signature Page to Ghost Lifestyle Amended and Restated Contribution and Merger Agreement]

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Contribution and Merger Agreement as of the date first written above.

SELLERS’ REPRESENTATIVE:

By: /s/ [***] _____
Name: [***]

[Signature Page to Ghost Lifestyle Amended and Restated Contribution and Merger Agreement]

Exhibit A
Form of Joinder

[**]

Exhibit B
Form of Ghost Beverage Merger Agreement

[***]

Exhibit C
Post-Closing Ghost Lifestyle Cap Table

[***]

Exhibit D
Ghost Lifestyle Second Amended and Restated LLC Agreement

[***]

Exhibit E
Escrow Agreement

[**]

Exhibit F
Sample Closing Statement

[**]

Exhibit G
Certificate of Merger

[***]

Exhibit H
Form of Letter of Transmittal

[**]

Exhibit I
Form of Resignation and Release Letter

[***]

Annex A
Pre-Closing Reorganization

[**]

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. THE OMITTED PORTIONS OF THIS DOCUMENT ARE INDICATED BY [*].**

GHOST LIFESTYLE LLC

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of December 31, 2024

THE UNITS REPRESENTED BY THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH UNITS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS OR AN EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

CERTAIN OF THE UNITS REPRESENTED BY THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT ALSO ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, MANDATORY REDEMPTION PROVISIONS, OFFSET RIGHTS, AND OTHER TERMS AND CONDITIONS SET FORTH HEREIN.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS; CONSTRUCTION	2
1.1 Definitions	2
1.2 Other Interpretive Provisions	12
ARTICLE II ORGANIZATIONAL MATTERS	13
2.1 Formation of the Company	13
2.2 Agreement; Members	13
2.3 Name of the Company	13
2.4 Purpose of the Company	13
2.5 Principal Office	13
2.6 Registered Office and Registered Agent	13
2.7 Term of the Company	14
2.8 No State-Law Partnership	14
ARTICLE III UNITS; CAPITAL CONTRIBUTIONS	14
3.1 Units	14
3.2 No Additional Capital Contributions	14
3.3 Additional Members	14
3.4 Issuance of Additional Units	15
3.5 Capital Accounts	15
3.6 Negative Capital Accounts	16
3.7 No Withdrawal	16
3.8 Loans from Members	16
3.9 Distributions In-Kind	16
3.10 Compliance with Section 1.704-1(b)	16
3.11 Transfer of Capital Accounts	16
3.12 No Interest on Capital Account	17
ARTICLE IV DISTRIBUTIONS AND ALLOCATIONS; REDEMPTION AND CONVERSIONS	17
4.1 Distributions	17
4.2 Allocations	18
4.3 Special Allocations	18
4.4 Offsetting Allocations	20
4.5 Tax Allocations	20
4.6 Indemnification and Reimbursement for Payments on Behalf of a Member	21
4.7 Ghost Beverages Purchase Agreement Matters	21
ARTICLE V MANAGEMENT	22
5.1 Management of the Company	22
5.2 Expenses; Compensation	24
5.3 Withdrawal; Replacement	24

5.4	Officers	24
ARTICLE VI RIGHTS AND OBLIGATIONS OF MEMBERS		25
6.1	Limitation of Liability	25
6.2	Withdrawal; Resignation	25
6.3	Lack of Authority	25
6.4	Exculpation	25
6.5	Indemnification	26
6.6	Title to Company Assets	27
6.7	Investment Opportunities; Conflicts of Interest; Non-Compete	27
6.8	Confidentiality	29
6.9	Non-Disparagement	29
ARTICLE VII BOOKS, RECORDS, ACCOUNTING AND REPORTS; INSPECTION		30
7.1	Records and Accounting	30
7.2	Tax Reports	30
7.3	Information Rights	30
7.4	Financial Statements	31
7.5	Independent Auditor	31
7.6	Restriction on Capitalization Information	31
ARTICLE VIII TAX MATTERS		31
8.1	Tax Returns	31
8.2	Tax Decisions	31
8.3	Tax Controversies	31
ARTICLE IX TRANSFER OF UNITS; REPURCHASE OF UNITS		33
9.1	Lock-Up	33
9.2	Additional Restrictions on Transfer	33
9.3	Transfer Fees and Expenses	33
9.4	Unit Repurchases	33

ARTICLE X MANDATORY REDEMPTION	34
10.1 Mandatory Redemption	34
10.2 Disputes	37
10.3 Operation of the Business	39
ARTICLE XI DISSOLUTION AND LIQUIDATION	39
11.1 Dissolution	39
11.2 Liquidation	39
11.3 Certificate of Cancellation	40
11.4 Reasonable Time for Winding Up	40
ARTICLE XII VALUATION	40
12.1 Valuation of Equity Securities	40
12.2 Valuation of Other Assets and Securities	40
ARTICLE XIII GENERAL PROVISIONS	40
13.1 Power of Attorney	40
13.2 Amendments	41
13.3 Specific Performance	41
13.4 Successors and Assigns	41
13.5 Severability	41
13.6 Counterparts; Binding Agreement	42
13.7 Governing Law	42
13.8 Consent to Jurisdiction; WAIVER OF JURY TRIAL	42
13.9 Notices; Address	42
13.10 Creditors	43
13.11 Further Action	44
13.12 Waivers	44
13.13 Entire Agreement	44
13.14 Survival	44

Schedules and Exhibits

SCHEDULE A	Members
SCHEDULE B	Officers
SCHEDULE C	Mandatory Redemption Enterprise Value Calculation
SCHEDULE D	Accounting Principles

SCHEDULE E	Sample Company EV Statement
SCHEDULE F	Minority Member Entities
SCHEDULE G	Mandatory Redemption Price Calculation
EXHIBIT 1	Distribution Agreement

GHOST LIFESTYLE LLC

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (as may be amended, modified or supplemented from time to time in accordance with the terms hereof, this “Agreement”) of Ghost Lifestyle LLC, a Delaware limited liability company (the “Company”), is entered into as of December 31, 2024 (the “Effective Date”), by and among the Company, The American Bottling Company, a Delaware corporation (the “Managing Member”) and wholly owned subsidiary of Keurig Dr Pepper Inc. (“KDP”), the other Members of the Company named on Schedule A and each other Person who becomes a Member of the Company on or after the date hereof in accordance with this Agreement (collectively, including the Managing Member, the “Members”).

RECITALS

WHEREAS, the Company was formed on May 13, 2020 (the “Formation Date”) as a limited liability company pursuant to and in accordance with the Delaware Act (as defined herein) and by the filing of a Certificate of Conversion and a Certificate of Formation for the Company with the office of the Secretary of State of the State of Delaware and the execution of a Limited Liability Company Agreement, effective as of May 13, 2020 (the “Original LLC Agreement”);

WHEREAS, the Company and certain other parties (the “Original Members”) entered into that certain First Amended and Restated Limited Liability Company Agreement of the Company on July 13, 2020 (the “A&R LLC Agreement”) to amend and restate the Original LLC Agreement;

WHEREAS, the Company entered into that certain Amended and Restated Contribution and Merger Agreement by and among the Managing Member, Company, certain Members, Phantom Merger Sub I LLC, a Delaware limited liability company and wholly owned subsidiary of KDP (“Ghost Lifestyle Merger Sub”) and Sellers’ Representative (as defined in the Purchase Agreement), dated as of December 31, 2024 (the “Purchase Agreement”), pursuant to which, among other things, Ghost Lifestyle Merger Sub merged with and into the Company upon the filing of a Certificate of Merger with the office of the Secretary of State of the State of Delaware, with the Company surviving the merger; and

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, the A&R LLC Agreement is being amended and restated in its entirety, effective as of the date hereof, in order to, among other things, (i) provide for the admission of the Managing Member and any other Members as Members of the Company, (ii) provide for the management of the Company and (iii) set forth the respective rights and obligations of the Members generally.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged, the parties hereto hereby agree to amend and restate the A&R LLC Agreement in its entirety as set forth in this Agreement.

Article I
DEFINITIONS; CONSTRUCTION

1.1 Definitions. For purposes of this Agreement, the following capitalized terms have the following meanings. Other capitalized and defined terms used but not defined below shall have the meaning ascribed to them herein.

“A&R LLC Agreement” has the meaning set forth in the recitals.

“Accounting Firm” has the meaning set forth in Section 10.2(c).

“Accounting Principles” has the meaning set forth in Schedule G.

“Adjusted Bad Leaver Per Unit Redemption Price” has the meaning set forth in Schedule G.

“Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price” has the meaning set forth in Schedule G.

“Adjusted EBITDA” has the meaning set forth in Schedule C.

“Adjusted Capital Account Deficit” means with respect to any Member, the amount by which the balance in such Member’s Capital Account as of the end of any Taxable “Year or other relevant time, is less than zero. For this purpose, such Member’s Capital Account balance shall be (i) reduced for any items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), and (6), and (ii) increased for any amount such Member is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (relating to partner liabilities to a partnership) or 1.704-2(g) (1) and 1.704-2(i)(5) (relating to Minimum Gain). This definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations § 1.704-1(b)(2)(iv)(d) and shall be interpreted consistently therewith.

“Adjusted Per Unit Redemption Price” has the meaning set forth in Schedule G.

“Advance” has the meaning set forth in Section 4.1(c).

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, including any partner, member, stockholder or other equity holder of such particular Person or manager, director, or officer of such particular Person, where “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise.

“Affiliate Agreement” means any agreement, arrangement, transaction, or understanding between the Company and any Member or any Affiliate of a Member.

“Agreement” has the meaning set forth in the preamble.

“Annual Financial Statements” has the meaning set forth in Section 7.4.

“Applicable Tax Rate” means, with respect to the applicable calendar year and the taxable income in question, the rate determined by the Managing Member to be the sum of the highest maximum marginal federal, state and local income Tax rates then applicable to an individual resident of New York, New York (taking into account the character of the relevant taxable income and any deductibility of state and local income Tax for federal income Tax purposes).

“B-2 Repurchase Right” has the meaning set forth in Section 9.4(a).

“Bad Leaver” has the meaning set forth in Section 10.1(a).

“Bad Leaver Company Enterprise Value” has the meaning set forth in Schedule C.

“Bad Leaver Company Equity Value” has the meaning set forth in Schedule C.

“Bad Leaver Event” means, with respect to a Minority Member who is, or is an Affiliate of, a Key Employee, a termination of such Key Employee’s employment with KDP, the Company or any of their Affiliates (as applicable) (a) by such Key Employee without Good Reason prior to the Mandatory Redemption Date in the cases of [***] or prior to the eighteen (18) month anniversary of the date hereof in the case of , [***] or (b) by KDP, the Company or any of their Affiliates for Cause.

“Bad Leaver for Reputation Harm” has the meaning set forth in Section 10.1(a).

“Bad Leaver for Reputation Harm Company Enterprise Value” has the meaning set forth in Schedule C.

“Bad Leaver for Reputation Harm Company Equity Value” has the meaning set forth in Schedule C.

“Bad Leaver for Reputation Harm Per Unit Redemption Price” has the meaning set forth in Schedule G.

“Bad Leaver Per Unit Redemption Price” has the meaning set forth in Schedule G.

“Bad Leaver Repurchase Right” has the meaning set forth in Section 9.4(b).

“Base Rate” means, as of any date, a variable rate per annum equal to the rate of interest most recently published by The Wall Street Journal as the “prime rate” at large U.S. money center banks.

“Book Value” means, with respect to any Company property, the amount at which such property is carried on the Company’s books for purposes of Section 704(b) of the Code and the Treasury Regulations thereunder.

“Business Day” means a day other than Saturday, Sunday or any other day on which commercial banks located in the State of Illinois or the State of Texas are authorized or obligated to close.

“Capital Account” means the capital account maintained for a Member pursuant to Section 3.3.

“Capital Contributions” means any cash, cash equivalents, promissory obligations or the Fair Market Value of other property which a Member contributes or is deemed to have contributed to the Company with respect to any Unit, in each case, as determined by the Managing Member.

“Cash” has the meaning set forth in Schedule C.

“Cause” means, [***].

“Certificate of Conversion” means that certain Certificate of Conversion of the Company filed with the Secretary of State of the State of Delaware on May 13, 2020, as may be amended and/or restated from time to time.

“Certificate of Formation” means that certain Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on May 13, 2020, as may be amended and/or restated from time to time.

“Class A Member” means a Member that holds Class A Units, and any other Person admitted as an additional or substitute Member in accordance with the terms hereof and who holds Class A Units, in each case, so long as such Person holds Class A Units.

“Class A Unit” means a Unit having the designations, preferences, obligations, and/or special rights specified with respect to a “Class A Unit” in this Agreement.

“Class B-1 Member” means a Member that holds Class B-1 Units, and any other Person admitted as an additional or substitute Member in accordance with the terms hereof and who holds Class B-1 Units, in each case, so long as such Person holds Class B-1 Units.

“Class B-1 Unit” means a Unit having the designations, preferences, obligations, and/or special rights specified with respect to a “Class B-1 Unit” in this Agreement.

“Class B-2 Member” means a Member that holds Class B-2 Units, and any other Person admitted as an additional or substitute Member in accordance with the terms hereof and who holds Class B-2 Units, in each case, so long as such Person holds Class B-2 Units.

“Class B-2 Unit” means a Unit having the designations, preferences, obligations, and/or special rights specified with respect to a “Class B-2 Unit” in this Agreement.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time, and any successor law thereto.

“Confidential Information” means all confidential or proprietary information or material, whether revealed orally, visually, or in tangible or electronic form, concerning the Company, KDP or any of their respective Subsidiaries, that is not generally known to the public, including know-how, employees, customers, vendors, pricing, confidential or proprietary business strategies and procedures, this Agreement and any of the transactions contemplated hereby, all information that is deemed “Confidential” pursuant to agreements with third parties, including license partners and vendors, and information regarding future business, development, sales and marketing plans and financial data.

“Company” has the meaning set forth in the preamble.

“Company Cash” has the meaning set forth in Schedule C.

“Company Enterprise Value” has the meaning set forth in Schedule C.

“Company Equity Value” has the meaning set forth in Schedule C.

“Company Indebtedness” has the meaning set forth in Schedule C.

“Company Income Amount” has the meaning set forth in Section 4.1(a).

“Company Working Capital” has the meaning set forth in Schedule C.

“Covered Person” has the meaning set forth in Section 6.4(a).

“Delaware Act” means the Delaware Limited Liability Company Act, 6 Del.L. § 18-101, et seq., and any successor to the Delaware Act, as may be amended from time to time.

“Dispute Notice” has the meaning set forth in Section 10.2(b).

“Disability” means, [***].

“Distribution” means each distribution made by the Company to a Member, whether in cash, property or securities of the Company and whether by liquidating distribution, redemption, repurchase or otherwise; provided that none of the following shall be a Distribution: (i) any redemption or repurchase by the Company of any Equity Securities of the Company, (ii) any recapitalization, exchange or conversion of Equity Securities of the Company, and any

subdivision (by unit split or otherwise) or any combination (by reverse unit split or otherwise) of Equity Securities of the Company. For the avoidance of doubt, customary cash pooling arrangements between the Managing Member and its Affiliates, on the one hand, and the Company and its Subsidiaries on the other hand, shall not constitute a Distribution.

“EBITDA” has the meaning set forth in Schedule C.

“Effective Date” has the meaning set forth in the preamble.

“Employee Member” has the meaning set forth in Section 6.7.

“Employment Agreements” means, with respect to each Key Employee, each Employment Agreement, by and between the Company and such Key Employee, as applicable, dated as of October 23, 2024.

“Escrow Agent” means JPMorgan Chase Bank, N.A. or any other nationally recognized escrow agent reasonably determined by the Managing Member.

“Equity Securities” means (i) Units, capital stock, partnership, membership or limited liability company interests or other equity interests in the Company (including, without limitation, Class A Units, Class B-1 Units and Class B-2 Units or other classes, groups or series thereof having such relative rights, powers, duties and/or obligations as may from time to time be established by the Managing Member, including rights, powers, and/or duties different from, senior to or more favorable than existing classes, groups and series of Units and other equity interests in the Company), any of its Subsidiaries or any of their respective successors, (ii) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into Equity Securities of the Company, any of its Subsidiaries or any of their respective successors and (iii) warrants, options or other rights to purchase or otherwise acquire Equity Securities of the Company, any of its Subsidiaries or any of their respective successors.

“Event of Bankruptcy” with respect to any Person means: (i) the entry of a decree or order for relief by a court of competent jurisdiction adjudging such Person bankrupt or insolvent, or approving as properly filed a petition seeking adjustment or composition of or in respect of such Person under the U.S. Bankruptcy Code or any state or foreign Law relating to bankruptcy or insolvency, or appointing a receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Person or of all or a substantial part of the property of such Person, ordering the winding up or liquidation of the affairs of such Person, which decree or order remains unstayed and in effect for a period of sixty (60) consecutive calendar days; (ii) the institution by such Person of proceedings to be adjudged bankrupt or insolvent, or the consent by such Person to the institution of bankruptcy or insolvency proceedings against him, or the filing by such Person of a petition or answer or consent seeking reorganization or relief under the U.S. Bankruptcy Code or any other applicable Law or the consent by such Person to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Person or of all or a substantial part of the property of such Person; or (iii) that a custodian, other than a trustee, receiver or agent appointed or authorized to take charge of less than substantially all of the Person’s property for the purpose of enforcing an encumbrance against

such property, was appointed or took possession of the property of such Person in furtherance of any such appointment or taking of possession.

“Event of Withdrawal” means with respect to any Member: (i) the assignment of all of the Member’s Units and Equity Securities of the Company; (ii) the withdrawal or resignation of the Member from the Company; (iii) the complete termination, liquidation or dissolution of the Member; or (iv) an Event of Bankruptcy with respect to the Member; in each case whether or not the same occurs in accordance with the provisions of this Agreement.

“Exempt Transfer” has the meaning set forth in Section 9.1.

“Fair Market Value” means, with respect to any asset or equity interest, its fair market value determined according to Article XII.

“Family Group” means, as to any Person, (i) such Person’s spouse, descendants (whether natural or adopted), parents and siblings, (ii) any trust solely for the benefit of such Person and/or such Person’s spouse, descendants, parents and/or siblings and (iii) any partnerships or limited liability companies where the only partners or members are such Person and/or such members of such Person’s Family Group as described in clauses (i) and (ii) of this definition.

“Fiscal Quarter” means each calendar quarter ending March 31, June 30, September 30 and December 31, or such other quarterly accounting period as may be established by the Managing Member.

“Fiscal Year” means the calendar year ending on December 31, or such other annual accounting period as may be established by the Managing Member.

“Formation Date” has the meaning set forth in the recitals.

“Good Reason” means, [***].

“Ghost Beverages Purchase Agreement” means that certain Amended and Restated Merger Agreement, dated as of December 31, 2024, by and among the Managing Member, Ghost Beverages, LLC, a Delaware limited liability company, Phantom Merger Sub II LLC, a Delaware limited liability company and Sellers’ Representative (as defined therein).

“Governmental Entity” means any (i) federal, state, provincial, local, municipal, foreign, or other government; (ii) governmental or quasi-governmental authority or self-regulated organization of any nature (including any governmental agency, branch, bureau, department, instrumentality, political subdivision, official, or entity and any arbitrator, court or other tribunal) or (iii) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, in each case, of competent jurisdiction.

“Indebtedness” has the meaning set forth in Schedule C.

“Income Tax” means any Tax that is based on, or computed with respect to, income or earnings (and any franchise Tax or Tax on doing business imposed in lieu thereof), including any interest, penalty or addition thereto.

“Imputed Underpayment Amount” shall mean the underpayment of tax, interest, and penalties as the result of a final IRS Final Partnership Audit Adjustment within the meaning of Section 6225 of the Code paid (or payable) by the Company.

“Item of Dispute” has the meaning set forth in Section 10.2(b).

“KDP Parties” has the meaning set forth in Section 6.7(a).

“Key Employee” means [***].

“Law” means all laws, statutes, regulations, rules, codes, orders, judgments, decrees, ordinances and other requirements or rules of law of the United States, any foreign country or any domestic or foreign state, province, county, city or other political subdivision of any Governmental Authority.

“Liabilities” means any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, determined or determinable, or otherwise, on or off-balance sheet, and whether arising in the past, present or future.

“Lien” means any claim, community property interest, condition, equitable interest, option, mortgage, easement, encroachment, right of way, right of first refusal, pledge, lien (statutory or otherwise), encumbrance, charge or other security interest or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“Lock-Up Period” has the meaning set forth in Section 9.1.

“Losses” means items of Company loss and deduction determined according to Section 3.5(b).

“Managing Member” has the meaning set forth in the preamble.

“Mandatory Redemption Date” has the meaning set forth in Section 10.1(a).

“Mandatory Redemption Enterprise Value” has the meaning set forth in Schedule C.

“Mandatory Redemption Purchaser” has the meaning set forth in Section 10.1(a).

“Measurement Time” means 11:59 p.m. Eastern Time on December 31, 2027.

“Members” has the meaning set forth in the preamble.

“Minimum Gain” has the meaning ascribed to the term “partnership minimum gain” in Treasury Regulations § 1.704-2(b)(2) and as computed pursuant to Treasury Regulations § 1.704-2(d).

“Minority Member” means any Person that holds a Minority Unit.

“Minority Member Consent Threshold” has the meaning set forth in Section 5.1(d).

“Minority Members Representative” means [***].

“Minority Members Transaction Expenses” has the meaning set forth in Schedule G.

“Minority Units” means, collectively, the Class B-1 Units and Class B-2 Units.

“[***] Deficit Amount” has the meaning set forth in Section 10.1(f)(i).

“[***] Preferred Amount” has the meaning set forth in Section 10.1(f)(i).

“[***] Reallocated Amount” has the meaning set forth in Section 10.1(f)(ii).

“[***] Special Units” has the meaning set forth in Section 10.1(f)(i).

“New Securities” has the meaning set forth in Section 3.4.

“Operating Committee” shall mean one or more individuals who are appointed to serve on the Operating Committee by the Managing Member. Initially, the members of the Operating Committee shall be [***].

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

“Original Members” has the meaning set forth in the recitals.

“Other Minority Members” has the meaning set forth in Section 10.1(f)(ii).

“Partnership Representative” has the meaning set forth in Section 8.3.

“Partnership Tax Audit Rules” means Subchapter C of Chapter 63 of Subtitle F of the Code (and the Treasury Regulations or other administrative guidance promulgated thereunder).

“Paying Agent” means Computershare Trust Company, N.A. and Computershare Inc., or any other Person determined by the Managing Member.

“Percentage Sharing Interest” means, as of any time of determination, with respect to each Member, an amount equal to the quotient (expressed as a percentage) obtained by dividing (i) the number of Units issued and outstanding and held of record by such Member, as applicable, by (ii) the aggregate number of issued and outstanding Units. Each Member’s Percentage Sharing Interest is as set forth on Schedule A, as may be updated from time to time by the Managing Member.

“Permitted Transferee” means (i) with respect to any Member that is an individual, (A) to any Person who qualifies as a member of such Member’s Family Group if, and only if, the proposed Transfer is being made solely for bona fide estate planning purposes; provided that (x) such Member retains control of all voting and consent rights with respect to such Member’s Units held as of the date hereof and retains at least [***] of the economic rights with respect to such Member’s Units held as of the date hereof or (y) such Member has received prior written consent of the Managing Member or (B) to any entity that is wholly owned and controlled by such Member, (ii) with respect to any Member that is not an individual, to any wholly-owned Affiliate controlled by such Member and (iii) with respect to the Managing Member, to any majority owned Affiliate thereof. For purposes of this definition, a Transfer by a Minority Member entity shall be treated as a Transfer by the individual set forth opposite such Minority Member entity set forth on Schedule F.

“Person” means an individual, a general partnership, a limited partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association or other entity or a Governmental Entity.

“Per Unit Minority Members Transaction Expenses” has the meaning set forth in Schedule G.

“Per Unit Redemption Price” has the meaning set forth in Schedule G.

“Per Unit Repurchase Price” has the meaning set forth in Section 9.4(a).

“Pre-Mandatory Redemption Tax Liability Amount” has the meaning set forth in Schedule C.

“Pre-Mandatory Redemption Tax Period” means any Tax period ending on or before the Mandatory Redemption Date.

“Profits” means items of Company income and gain determined according to Section 3.5(b).

“Purchase Agreement” has the meaning set forth in the recitals.

“Quarterly Reports” has the meaning set forth in Section 7.4.

“Redemption Price Calculation” has the meaning set forth in Section 10.2(a).

“Regulatory Allocations” has the meaning set forth in Section 4.3(e).

“Representatives” means, in relation to any Person, any of its directors, managers, officers, employees, agents, Affiliates, legal counsel, financial advisors and other representatives.

“Repurchase Date” has the meaning set forth in Section 9.4(c).

“Repurchase Notice” has the meaning set forth in Section 9.4(c).

“Repurchase Rights” has the meaning set forth in Section 9.4(b).

“Restricted Cash” has the meaning set forth in Schedule C.

“Review Period” has the meaning set for in Section 10.2(b).

“Sample Company EV Statement” means an illustrative sample calculation of (i) Company Working Capital, (ii) Company Cash, and (iii) Company Indebtedness, in each case as of June 30, 2024 and as set forth on Exhibit F, including the classification of asset and liability line items and general account ledgers. The Sample Company EV Statement shall be calculated in accordance with the Accounting Principles.

“Securities Act” means the Securities Act of 1933, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future law.

“Subsidiary” means, with respect to any particular Person, any other Person which (i) if such particular Person is a corporation, a majority of the total voting power of shares of stock to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such other Person, or (ii) if such particular Person is a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by such other Person. For purposes hereof, and without limitation, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity. For purposes hereof, unless otherwise indicated, the term “Subsidiary” refers to a Subsidiary of the Company.

“Target Company Working Capital” has the meaning set forth in Schedule C.

“Tax” or “Taxes” means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any transferee liability, any “imputed underpayment amount” within the meaning of Section 6225 of the Code, and any interest, penalties or additions to tax or additional amounts in respect of the foregoing.

“Tax Distribution” has the meaning set forth in Section 4.1(a).

“Taxable Year” means the Company’s accounting period for federal income tax purposes determined pursuant to Section 8.2.

“Transaction Expenses” has the meaning set forth in Schedule C.

“Transfer” means any direct or indirect sale, assignment, transfer, conveyance, pledge, hypothecation, mortgage, license, gift, creation of a security interest in or lien on, placement in trust (voting or otherwise), encumbrance or other transfer or disposition (including any spin-off, hedging or derivative transaction or other transaction that, in each case, hedges or transfers, in whole or in part, the economic consequences of ownership, or otherwise) of any Equity Securities or any legal, beneficial or economic interest therein, whether or not for value and whether voluntary or involuntary or by operation of Law or by transfer of any economic or ownership interest in any Person, directly or indirectly, beneficially owning such Equity Securities and the causing of any such acts. The terms “Transferee,” “Transferor,” “Transferred,” and other forms of the word “Transfer” shall have the correlative meanings.

“Treasury Regulations” means those regulations promulgated by the U.S. Department of the Treasury pursuant to authority of the Code or any other revenue law of the United States of America, as issued or amended from time to time.

“Unit” means a Unit representing a fractional part of the interests in Profits, Losses and Distributions of the Company and shall include the Class A Units, Class B-1 Units and Class B-2 Units; provided that any class, group or series of Units issued shall have the relative rights, powers and obligations set forth in this Agreement.

1.2 Other Interpretive Provisions.

(a) Unless the context of this Agreement clearly requires otherwise: (i) references to the plural include the singular and vice versa; (ii) references to any Person include such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; (iii) references to one gender include all genders; (iv) the term “including” or “includes” is not limiting and means “including without limitation”; (v) the words “hereof,” “hereto,” “herein,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular provision, covenant or term of this Agreement; (vi) section, clause, Exhibit and Schedule references are to this Agreement unless otherwise specified; (viii) specific or general references to any Law mean such Law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time and includes any successor legislation thereto and any rules and regulations promulgated thereunder; (ix) the captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement; (x) “Dollars” and “\$” shall mean United States Dollars; (xi) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified, and shall be counted from the day immediately following the date from which such number of days is to be counted; (xii) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from times time in accordance with the terms thereof and, if applicable, the terms hereof; and (xiii) unless otherwise expressly provided in this Agreement, any and all decisions made by the Managing Member shall be made in its sole discretion in good faith. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day.

(b) The parties hereto have been represented by counsel in the negotiations and preparation of this Agreement, therefore, this Agreement will have deemed to be drafted by

each of the parties, and no rule of construction will be invoked respecting the authorship of this Agreement.

(c) Notwithstanding certain corporate similarities created under this Agreement with respect to the management of the Company, except as expressly provided in this Agreement, (i) the Members and the Company, by using such corporate similarities, do not intend to incorporate any provisions of the General Corporation Law of the State of Delaware (the “DGCL”) or any other corporate law, rule or regulation into this Agreement, in each case, as amended or otherwise updated from time to time, and intend that the management of the Company shall be governed by terms expressly set forth in this Agreement and (ii) the Company is subject to and governed by the provisions of the Delaware Act, and not any provisions of the DGCL or any other corporate law, rule or regulation.

Article II ORGANIZATIONAL MATTERS

2.1 Formation of the Company. The Company was formed as a Delaware limited liability company under and pursuant to the Delaware Act by the execution and filing with the office of the Secretary of State of the State of Delaware the Certificate of Conversion and Certificate of Formation of the Company under and pursuant to the Delaware Act and the execution of the Original LLC Agreement.

2.2 Agreement; Members.

(a) The Members hereby (i) adopt this Agreement and amend and restate the A&R LLC Agreement in its entirety as provided herein, and (ii) agree that during the term of the Company, the rights, duties and obligations of the Members with respect to the Company will be determined in accordance with the terms and conditions of this Agreement, as may be amended from time to time, and, except as otherwise set forth herein, the Delaware Act; provided that, notwithstanding the foregoing, Section 18-305 of the Delaware Act (entitled “Access to and Confidentiality of Information; Records”) shall not apply or be incorporated into this Agreement and no Member shall have any dissenter’s, appraisal or other similar rights as contemplated by Section 18-210 of the Delaware Act.

(b) The names and mailing addresses of each Member shall be listed on Schedule A. The Company shall, and the Managing Member or any officer of the Company is authorized to, amend Schedule A from time to time as necessary to ensure the accuracy of the information required to be included therein in accordance with the terms hereof.

2.3 Name of the Company. The name of the Company is “Ghost Lifestyle LLC.” The Managing Member may change the name of the Company at any time and from time to time. The Company’s business may be conducted under such name or any other name permitted by the Delaware Act as the Managing Member may determine from time to time.

2.4 Purpose of the Company. The purpose of the Company is to engage in any lawful act or activity for which a limited liability company may be formed under the Delaware Act.

2.5 Principal Office. The Company shall have its principal office at [***] or such other place or places as the Managing Member may designate. The Managing Member may, from time to time, establish such other offices or places of business for the Company as the Managing Member may deem appropriate.

2.6 Registered Office and Registered Agent. The registered office of the Company in the State of Delaware shall be the office of the initial registered agent named in the Certificate of

Formation or such other office (which need not be a place of business of the Company) as the Managing Member may designate from time to time in the manner provided by applicable Law, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be the registered agent named in the Certificate of Formation or such Person as the Managing Member may designate from time to time in the manner provided by applicable Law.

2.7 Term of the Company. The existence of the Company commenced on the Formation Date and shall continue until termination and dissolution of the Company in accordance with the provisions of this Agreement.

2.8 No State-Law Partnership. The Members intend that the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes other than as set forth in the last sentence of this Section 2.8, and neither this Agreement nor any other document entered into by the Company or any Member relating to the subject matter hereof shall be construed to suggest otherwise. The Members intend that the Company shall be treated as a partnership for federal and, as applicable, state or local income tax purposes, and that each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

Article III UNITS; CAPITAL CONTRIBUTIONS

3.1 Units.

(a) Classes and Series of Units. As of the date of this Agreement, the Company has authorized the following Units: Class A Units, Class B-1 Units and Class B-2 Units. The Company shall be authorized to issue and sell Units (including additional classes of Units) in accordance with the terms and conditions of this Agreement. Schedule A sets forth the number of Units held by each Member as of the date of this Agreement. Schedule A incorporates and supersedes any and all interests of the Original Members pursuant to the A&R LLC Agreement.

(b) Voting. Each Class A Member shall be entitled to one vote per Class A Unit on all matters to be voted on by the Members. Except as otherwise provided under Section 3.4 and Section 5.1(d), none of the Class B-1 Members nor Class B-2 Members shall have any voting rights with respect to such Class B-1 Units or Class B-2 Units, as applicable, under this Agreement or the Delaware Act.

3.2 No Additional Capital Contributions. Notwithstanding anything to the contrary in this Agreement, (a) no Member shall be required to make any additional Capital Contributions to the Company without the written consent of such Member nor shall any Member be required to loan or advance money to the Company without the written consent of such Member, which such consents may be granted or withheld in such Member's sole discretion and (b) no Member shall have the right to make any additional Capital Contributions or any loan to the Company without the written consent of the Managing Member.

3.3 Additional Members. Subject to Article IX, the Company may admit one or more additional members of the Company on such terms and conditions as may be approved by the Managing Member in writing. As a condition to the admission of a Person as an additional member pursuant to this Section 3.3, such Person shall (i) execute a counterpart signature page to this Agreement and expressly undertake to be bound by all obligations and liabilities under this

Agreement applicable to a holder of such Units and (ii) take such actions and execute such documents as may be reasonably requested by the Managing Member.

3.4 Issuance of Additional Units. Subject to the limitations contained in Section 5.1(d), the Company (with the approval of the Managing Member) shall have the right to issue one or more additional classes of voting or non-voting Units in the Company (the “New Securities”). Subject to the limitations contained in Section 5.1(d), the Managing Member shall determine the terms and conditions applicable to such New Securities and shall be permitted to amend this Agreement (including the distribution provisions) to reflect the issuance of such New Securities in accordance with the terms of this Agreement. The Company shall, and the Managing Member and any officer of the Company is authorized to, amend Schedule A to reflect the issuance of such New Securities.

3.5 Capital Accounts.

(a) Maintenance of Capital Accounts. The Company shall maintain a separate Capital Account for each Member according to the rules of Treasury Regulations Section 1.704-1(b)(2)(iv). For this purpose, the Managing Member may, upon the occurrence of the events specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such regulation and Treasury Regulation Section 1.704-1(b)(2)(iv)(g) to reflect a revaluation of the Company property; provided, that the Company shall increase or decrease the Capital Accounts in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f) and (g) to reflect a revaluation of the Company property in connection with the transactions contemplated by the Purchase Agreement. Without limiting the foregoing, each Member’s Capital Account shall be adjusted:

- (i) by adding any additional Capital Contributions made by such Member in consideration for the issuance of Units;
- (ii) by deducting any amounts paid to such Member in connection with the redemption or other repurchase by the Company or the Managing Member of Units;
- (iii) by adding any Profits allocated to such Member and subtracting any Losses allocated to such Member; and
- (iv) by deducting any distributions paid in cash or other assets to such Member by the Company.

(b) Computation of Income, Gain, Loss and Deduction Items. For purposes of computing the amount of any item of the Company income, gain, loss or deduction to be allocated pursuant to Article IV and to be reflected in the Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); provided that:

(i) The computation of all items of income, gain, loss and deduction shall include those items described in Code Section 705(a)(1)(B) or Code Section 705(a)(2)(B) and Treasury Regulations Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includable in gross income or are not deductible for federal income tax purposes.

(ii) If the Book Value of any of the Company property is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be accounted for as a gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of the Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

(iv) Items of depreciation, amortization and other cost recovery deductions with respect to the Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

(v) To the extent an adjustment to the adjusted tax basis of any the Company asset pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

(vi) To the extent that the Company distributes any asset in kind to the Members, the Company shall be deemed to have realized Profits or Losses thereon in the same manner as if the Company had sold such asset for an amount equal to the Fair Market Value of such asset or, if greater and otherwise required by the Code, the amount of debts to which such asset is subject.

3.6 Negative Capital Accounts. If any Member has a deficit balance in its Capital Account, such Member shall have no obligation to restore such negative balance or to make any Capital Contributions to the Company by reason thereof, and such negative balance shall not be considered an asset of the Company or of any Member.

3.7 No Withdrawal. No Member shall be entitled to withdraw any part of such Member's Capital Contribution or Capital Account or to receive any Distributions from the Company, except as expressly provided herein.

3.8 Loans From Members. Loans by Members to the Company shall not be considered Capital Contributions.

3.9 Distributions In-Kind. To the extent that the Company distributes property in-kind to the Members, the Company shall be treated as making a distribution equal to the Fair Market Value of such property for purposes of Section 4.1 and such property shall be treated as if it were sold for an amount equal to its Fair Market Value and any resulting gain or loss shall be treated as an item of Profits or Losses in accordance with Section 3.5(b)(vi). In the event any such distribution is not made on a pro rata basis among the Class A Units and the Minority Units, the Company Equity Value, the Bad Leaver Company Equity Value or the Bad Leaver for Reputation Harm Company Equity Value, as applicable, shall be increased based on the Fair Market Value of the distributed property.

3.10 Compliance with Section 1.704-1(b). The provisions, covenants and terms of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. The Managing Member in its sole discretion may modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Member), are computed.

3.11 Transfer of Capital Accounts. The original Capital Account established for each substituted Member shall be in the same amount as the Capital Account of the Member (or

portion thereof) to which such substituted Member succeeds, at the time such substituted Member is admitted to the Company. The Capital Account of any Member shall be increased or decreased by means of the transfer to it of all or part of the Units of another Member. Any reference in this Agreement to a Capital Contribution of or Distribution to a Member that has succeeded any other Member shall include any Capital Contributions or Distributions previously made by or to the former Member on account of the Units of such former Member transferred to such Member.

3.12 No Interest on Capital Account. No Member shall be paid interest on its Capital Account.

Article IV
DISTRIBUTIONS AND ALLOCATIONS;
REDEMPTION AND CONVERSIONS

4.1 Distributions.

(a) Tax Distributions. Subject to any restrictions in any of the Company's and/or its Subsidiaries' then applicable debt-financing arrangements or applicable Law and the Managing Member's reasonable discretion to retain any amounts reasonably necessary to conduct the Company's business, satisfy its obligations and maintain appropriate reserves, the Company shall distribute to each Member an amount of cash (a "Tax Distribution") which equals the product of, if positive, (1) the Company Income Amount allocated to such Member pursuant to this Agreement for such Taxable Year, treating, for this purpose, the first Taxable Year of the Company as beginning on the day following the Closing Date (as defined in the Purchase Agreement), multiplied by (2) the Applicable Tax Rate.

(i) The term "Company Income Amount," which shall be allocated to a Member for a Taxable Year, shall be an amount equal to the net taxable income of the Company for such Taxable Year allocated to the Member with respect to its Units pursuant to this Agreement (provided that in no event shall such calculation include any taxable income for any period prior to the effective date of this Agreement or any tax liability relating thereto), minus any net taxable loss of the Company allocated to the Member pursuant to this Agreement for any prior Taxable Year not previously taken into account for purposes of this Section 4.1(a), to the extent such losses would be available under the Code to offset income of the Members (or, as appropriate, the direct or indirect partners or members of the Member) determined as if income and loss from the Company was the only income and loss of such Member (or, as appropriate, the direct or indirect partners or members of such Member) in such Taxable Year and all prior Taxable Years. For the avoidance of doubt, the Company Income Amount shall be determined taking into account any items of taxable income, gain, loss and deduction allocable as a result of Code Section 743 or Code Section 704(c).

(ii) Tax Distributions shall be made to the Members on an estimated basis quarterly as determined by the Managing Member and subject to the conditions set forth in this Section 4.1(a). The Managing Member shall adjust subsequent Tax Distributions up or down to reflect any variation between such estimated quarterly Tax Distributions and the Tax Distributions that would have been computed under this Section 4.1(a) based on subsequent Tax information. In the event that the funds legally available for any Tax Distribution to be made hereunder are insufficient to pay the full amount of the Tax Distribution that would otherwise be required under this Section 4.1(a), the amount of funds available for distribution pursuant to Section 4.1(a)(i) shall be distributed to the Members on a pro rata basis (according to the amounts that would have been distributed to each Member pursuant to this Section 4.1(a) if funds were available in a sufficient amount to make such Distribution in full). At any time thereafter when additional funds of the Company are available for Distribution pursuant to

Section 4.1(a)(i), such funds shall be immediately distributed to the Members on a pro rata basis (according to the amounts that would have been distributed to each Member pursuant to this Section 4.1(a) if funds would have existed in a sufficient amount to make such Tax Distribution in full) such that the Members have received the distributions they would have been entitled to if sufficient funds were available to make the distributions required by Section 4.1(a). The Managing Member, in its discretion, may adjust the amount of Tax Distributions made under this Section 4.1(a) consistent with the purposes of this provision, which is to provide the Members with sufficient liquidity to fund their tax liabilities incurred as a result of ownership of the Company.

(iii) Tax Distributions shall be treated as advances against Distributions pursuant to Section 4.1(b) or the payment of the Adjusted Per Unit Redemption Price, the Adjusted Bad Leaver Per Unit Redemption Price or the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, and as further described in Section 4.1(c).

(b) Other Distributions. The Company may make Distributions to any Member or Members holding a class of Units at such times and amounts as are determined from time to time by the Managing Member; provided that, any Distributions of cash to the Managing Member prior to Mandatory Redemption shall be only be made as a Tax Distribution or at times when (A) Tax Distributions for all prior quarters after the date hereof have been made to Members (even if paid late) and (B) the Managing Member reasonably determines that making such Distribution is not likely to impair the Company's ability to make Tax Distributions in the following quarter.

(c) Treatment of Tax Distributions and Other Distributions. Any Distribution to any Member made pursuant to the foregoing Section 4.1(a) or Section 4.1(b) prior to the Measurement Time shall increase the Company Equity Value, the Bad Leaver Company Equity Value or the Bad Leaver for Reputation Harm Company Equity Value, as applicable, on a dollar-for-dollar basis as contemplated in (and without duplication of) the definition of Company Cash. Any Distribution (including any Tax Distribution) that is made to a Minority Member shall be treated as an advance (an "Advance") against and shall reduce any Distributions (other than Tax Distributions) to which a such Member is otherwise entitled hereunder and (without duplication) any amounts otherwise payable to such Minority Member in connection with the Mandatory Redemption. For the avoidance of doubt, Advances shall not be double-counted, including in the calculation of the Company Equity Value, the Bad Leaver Company Equity Value or the Bad Leaver for Reputation Harm Company Equity Value.

4.2 Allocations. Except as otherwise provided in Section 4.2, Profits and Losses for any Taxable Year shall be allocated among the Members in such a manner that, as of the end of such Taxable Year, (a) the sum of (i) the Capital Account of each Member, (ii) such Member's share of Minimum Gain, and (iii) such Member's partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)(2)) shall be equal to (b) the respective net amounts, positive or negative, which would be distributed to them or for which they would be liable to the Company under the Delaware Act, determined as if the Company were to (i) liquidate the assets of the Company for an amount equal to their Book Value and (ii) distribute the proceeds of liquidation pursuant to Section 11.2.

4.3 Special Allocations.

(a) Partner Nonrecourse Debt Minimum Gain Chargeback. Losses attributable to partner nonrecourse debt (as defined in Treasury Regulations Section 1.704-2(b)(4)) shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). If there is a net decrease during a Taxable Year in partner nonrecourse debt minimum gain (as determined pursuant to Treasury Regulations (or otherwise Section 1.704-2(i)(3))), each Member that has a

share of such partner nonrecourse debt minimum gain shall be specially allocated Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) in an amount equal to that Member's share of the net decrease in partnership nonrecourse debt minimum gain. Items to be allocated pursuant to this paragraph shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4) and 1.704-2(j)(2). This Section 4.3(a) is intended to comply with the minimum gain chargeback requirements in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(b) Nonrecourse Deductions and Minimum Gain Chargeback. The Company nonrecourse deductions (as determined according to Treasury Regulations Section 1.704-2(b)(1)) for any Taxable Year shall be allocated to each Member ratably among such Members based upon the manner in which Profits are allocated among the Members for such Taxable Year. Member nonrecourse deductions shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). Except as otherwise provided in Section 4.3(a), if there is a net decrease in the Minimum Gain during any Taxable Year, each Member shall be specially allocated Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) in an amount equal to such Member's share of the net decrease in the Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f)(6) and 1.704-2(j)(2). This Section 4.3(b) is intended to be a Minimum Gain chargeback provision that complies with the requirements of Treasury Regulations Section 1.704-2(f), and shall be interpreted in a manner consistent therewith.

(c) Qualified Income Offset. If any Member that unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) has an Adjusted Capital Account Deficit as of the end of any Taxable Year, computed after the application of Sections 4.3(a) and 4.3(b) but before the application of any other provision of this Article IV, then Profits for such Taxable Year shall be allocated to such Member in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 4.3(c) is intended to be a qualified income offset provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(d) Allocation of Certain Profits and Losses. Profits and Losses described in Section 3.5(b)(v) shall be allocated in a manner consistent with the manner that the adjustments to the Capital Accounts are required to be made pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m).

(e) Regulatory Allocations. The allocations set forth in Sections 4.2(a)-(d) (the "Regulatory Allocations") are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Profit and Loss of the Company or make Distributions. Accordingly, notwithstanding the other provisions of this Article IV, but subject to the Regulatory Allocations, Profits and Losses shall be reallocated among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Members to be in the amounts (or as close thereto as possible) they would have been if Profit and Loss (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this will be accomplished by specially allocating other Profit and Loss (and such other items of income, gain, deduction and loss) among the Members so that the net amount of the Regulatory Allocations and such special allocations to each such Member is zero. In addition, if in any Taxable Year there is a decrease in Minimum Gain, or in partner nonrecourse debt minimum gain, and application of the minimum gain chargeback requirements set forth in Section 4.3(a) or Section 4.3(b) would cause a distortion in the

economic arrangement among the Members, the Members shall (at the election of the Managing Member), if the Managing Member does not expect that the Company will have sufficient other income to correct such distortion, request the Internal Revenue Service to waive either or both of such minimum gain chargeback requirements. If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirement.

(f) Excess Nonrecourse Liabilities. For purposes of determining a Member's share of the "excess nonrecourse liabilities" of the Company within the meaning of Treasury Regulations Section 1.752-3(a)(3), except as otherwise determined by the Managing Member, the Member's share of Profits will be deemed to be in proportion to such Member's ownership of Units.

4.4 Offsetting Allocations. If, and to the extent that, any Member is deemed to recognize any item of income, gain, deduction or loss as a result of any transaction between such Member and the Company pursuant to Sections 83, 482, or 7872 of the Code or any similar provision now or hereafter in effect, the Managing Member may, if permitted by applicable Law, allocate any corresponding Profit or Loss to the Member who recognizes such item in order to reflect the Member's economic interest in the Company.

4.5 Tax Allocations.

(a) Allocations Generally. Except as provided in Section 4.5(b), the income, gains, losses and deductions of the Company will be allocated for federal, state and local income tax purposes among the Members in accordance with the allocation of such income, gains, losses and deductions among the Members for computing their Capital Accounts; except that if any such allocation is not permitted by the Code or other applicable Law, the Company's subsequent income, gains, losses, deductions and credits will be allocated among the Members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Code Section 704(c) Allocations. Items of Company taxable income, gain, loss and deduction (including, for the avoidance of doubt, remedial allocations if applicable) with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) and the Treasury Regulations thereunder so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Book Value using any method permitted under Treasury Regulation Section 1.704-3 as determined by the Managing Member. In addition, if the Book Value of any Company asset is adjusted, then subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value using any method permitted under Treasury Regulation Section 1.704-3 as determined by the Managing Member.

(c) Allocation of Tax Credits, Tax Credit Recapture, Etc. Allocations of tax credits, tax credit recapture, and any items related thereto shall be allocated to the Members according to their interests in such items as determined by the Managing Member taking into account the principles of Treasury Regulations Sections 1.704-1(b)(4)(ii) and 1.704-1(b)(4)(viii).

(d) Effect of Allocations. Allocations pursuant to this Section 4.5 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, Distributions (other than Distributions pursuant to Section 4.1(a)) or other Company items pursuant to any provision, covenant or term of this Agreement.

4.6 Indemnification and Reimbursement for Payments on Behalf of a Member. The Company is authorized to deduct and withhold from any Distribution hereunder such amounts as it is required to deduct and withhold under applicable law, and any amounts so deducted and withheld shall be treated as distributed to the Person in respect of whom such deduction and withholding was made. If the Company (a) is required by Law to make any payment to a Governmental Entity (including any Tax, but not including any Imputed Underpayment Amount included in the definition of Tax) that is specifically attributable to a Member or a Member's status as such (including, without limitation, federal withholding taxes, state personal property taxes, and state unincorporated business taxes), or (b) incurs any loss attributable to a Member's breach of any of its covenants contained in Section 8.3(b), then such Member shall indemnify and contribute to the Company in full for the entire amount paid (including interest, penalties and related expenses). The Managing Member may (and prior to making any claim for indemnification pursuant to this Section 4.6 against any Person who is a Member at the time of such potential indemnification claim, shall) offset any Distribution (other than a Tax Distribution) or such portion of the Per Unit Redemption Price, the Bad Leaver Per Unit Redemption Price or the Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, to which a Person is otherwise entitled under this Agreement against such Person's obligation to indemnify the Company under this Section 4.6 and against the portion of any Imputed Underpayment Amount attributable to a Member. A Member's obligation to indemnify and make contributions to the Company under this Section 4.6 shall survive the termination, dissolution, liquidation and winding up of the Company and the termination of such Member's membership in the Company, and for purposes of this Section 4.6, the Company shall be treated as continuing in existence. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 4.6, including instituting a lawsuit to collect such indemnification and contribution, with interest calculated at a rate equal to the Base Rate plus three percentage points per annum (but not in excess of the highest rate per annum permitted by law), compounded on the last day of each Fiscal Quarter.

4.7 Ghost Beverages Purchase Agreement Matters.

(a) Upon finalization of the Adjustment Amount (as defined in the Ghost Beverages Purchase Agreement) pursuant to the Ghost Beverages Purchase Agreement:

(i) if the Adjustment Amount is a positive number, the Managing Member shall, within 10 Business Days after receipt by the Company of such portion of the Adjustment Amount payable to the Company pursuant to Section 2.06(c)(i) of the Ghost Beverages Purchase Agreement, cause the Company to distribute to the Managing Member, in a non-pro rata Distribution, an amount in cash equal to the Adjustment Amount; provided that such Distribution to the Managing Member shall not increase the Company Equity Value, the Bad Leaver Company Equity Value or the Bad Leaver for Reputation Harm Company Equity Value, as applicable; and

(ii) if the Adjustment Amount is a negative number, the Managing Member shall, within 10 Business Days after receipt by the Managing Member of the Adjustment Amount payable to the Managing Member pursuant to Section 2.06(c)(ii) of the Ghost Beverages Purchase Agreement, make a Capital Contribution in an amount in cash equal to the absolute value Adjustment Amount to the Company; provided that the Managing Member shall not receive any New Securities in exchange for such Capital Contribution.

(b) Following any release of Indemnity Escrow Funds (as defined in the Ghost Beverages Purchase Agreement) pursuant to Section 9.05 thereof (the "GB Escrow Proceeds"):

(i) the Managing Member shall, within 10 Business Days after receipt by the Company of such portion of the GB Escrow Proceeds payable to the Company pursuant to Section 9.05 of the Ghost Beverages Purchase Agreement (the “Company Escrow Proceeds”), cause the Company to distribute to the Managing Member from the Company Escrow Proceeds, in a non-pro rata Distribution, an amount in cash equal to the aggregate of any amounts payable to the Managing Member pursuant to Section 9.05 of the Purchase Agreement as of such date that is unpaid as of such date and that is in excess of the Indemnity Escrow Funds (as defined in the Purchase Agreement) in the Indemnity Escrow Account (as defined in the Purchase Agreement);

(ii) the Managing Member shall, within 10 Business Days after receipt by the Company of the Company Escrow Proceeds, deposit with the Escrow Agent under the Purchase Agreement, from the Company Escrow Proceeds, an amount in cash equal to the aggregate amount of any Pending Claims that is in excess of the Indemnity Escrow Funds (as defined in the Purchase Agreement) in the Indemnity Escrow Account (as defined in the Purchase Agreement), which funds in escrow shall be subject to and released pursuant to the applicable provisions of the Purchase Agreement; and

(iii) the Managing Member shall, within 10 Business Days after receipt by the Company of the Company Escrow Proceeds, pay to the Sellers Representative for distribution to the Seller Parties (as defined in the Purchase Agreement) in accordance with their Indemnity Percentage Allocation (as defined in the Purchase Agreement) the remainder of such Company Escrow Proceeds taking into account any reduction pursuant to the foregoing clauses (i) or (ii).

Notwithstanding anything to the contrary herein, such receipt of Company Escrow Proceeds or Distribution, deposit or payment thereof, as contemplated by the foregoing clauses (i)-(iii) shall not increase the Company Equity Value, the Bad Leaver Company Equity Value or the Bad Leaver for Reputation Harm Company Equity Value, as applicable.

Article V MANAGEMENT

5.1 Management of the Company.

(a) The business and affairs of the Company shall be managed by the Managing Member. Subject to the provisions of this Agreement, the management, control and operation of the Company shall be vested exclusively in the Managing Member, and no other Member shall have any authority or right to participate in or exercise control or management power over the business and affairs of the Company. Subject to its obligations in this Agreement (including Section 5.1(d)), the Managing Member shall have full power and authority and absolute discretion to do all things deemed necessary or desirable by it to conduct the business of the Company on behalf and in the name of the Company, including with respect to the management of, and the exercise of, all voting rights associated with the Company’s ownership of securities (including the nomination, voting and appointment of managers, directors, committees and officers) and other investments in or loans to the Company (including determining the timing and terms of the disposition of any securities, other investment or loan). Subject to its obligations in this Agreement (including Section 5.1(d)), the Managing Member shall have full power and authority and absolute discretion to adopt an annual budget for the Company and operate the Company within that approved budget. Subject to its obligations in this Agreement (including Section 5.1(d)), the Managing Member shall have the right to cause the Company to (i) incur debt for borrowed money and (ii) undertake capital expenditures, in each case to the extent determined by the Managing Member, acting reasonably, to be reasonably

necessary or advisable in connection with the operation of the Company's business. The Company shall be subject to the same internal policies and guidelines as are applicable to the Managing Member and its Affiliates, and shall comply, and shall cause its respective Representatives to comply, at all times with such policies and guidelines. Except as expressly provided otherwise in this Agreement, the Managing Member shall have sole power and authority to act on all matters that require the approval of the Members (so that the approval of the Managing Member will constitute all required Member approval) and no other Member will have any right to vote on such matters and such acts shall be subject only to the approval of the Managing Member (and such approval shall be valid for all purposes of the Delaware Act). Without limiting the foregoing, no Member other than the Managing Member will have any right to vote on (and their consent will not be required for) any merger or consolidation of the Company with or into any other Person or the sale of all or substantially all of the assets of the Company and such acts shall be subject only to the approval of the Managing Member (and such approval shall be valid for all purposes of the Delaware Act).

(b) Operating Committee. The Operating Committee shall meet at least twice every Fiscal Year or on such more frequent schedule as may be otherwise determined by the Managing Member in its sole discretion.

(c) Written Consent. Any action that may be taken by the Managing Member at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the Managing Member.

(d) Actions Requiring Minority Members Approval. Notwithstanding anything herein to the contrary, the Company shall not, and shall not enter into any commitment to (and the Managing Member shall not authorize or permit the Company to), do any of the following without the consent of Minority Members representing a majority of the Minority Units that are not then currently or formerly held by any Bad Leaver, Bad Leaver for Reputation Harm or a Class B-2 Member subject to a B-2 Repurchase Right (the "Minority Member Consent Threshold"):

(i) except as expressly provided in this Agreement or the Purchase Agreement, enter into any Affiliate Agreement other than (x) on terms no less favorable to the Company (treating the Company as operating on a standalone basis) than those that would have been obtained in a comparable transaction entered into with an unaffiliated third party on an arm's length basis, (y) that do not provide for payments by or to the Company in excess of \$[***] in any 12-month period in any individual Affiliate Agreement or \$[***] in the aggregate in a 12-month period in respect of all Affiliate Agreements, or (z) the Distribution Agreement substantially in the form set forth as Exhibit 1 and, subject to clause (ii) below, subsequent amendments or modifications to such Distribution Agreement;

(ii) other than on terms no less favorable to the Company (treating the Company as operating on a standalone basis) than those that would have been obtained in a comparable transaction entered into with an unaffiliated third party on an arm's length basis, amend the Distribution Agreement; provided that (A) in the case of this clause (ii) such consent shall not be unreasonably withheld, conditioned or delayed, (B) during such time that [***] employment with KDP has not been terminated, [***] consent (not to be unreasonably withheld, conditioned or delayed) shall be sufficient to meet the Minority Member Consent Threshold and (C) the parties agree that it shall be reasonable to withhold consent if any such amendment would be reasonably likely to reduce the amount of Adjusted EBITDA used in the calculation of the Company Enterprise Value, the Bad Leaver Reputation Harm Enterprise Value and/or the Bad Leaver Company Enterprise Value;

(iii) issue any New Securities;

- (iv) acquire any other Person or the business or substantially all the assets of any Person;
- (v) make any change to the tax classification of the Company; or

(vi) make any tax decision (other than the making of an election under Section 754 or 6226 of the Code or as contemplated by Section 4.5(b)) that would reasonably be expected to have a material, adverse and disproportionate effect on the Minority Members (taking into account the availability of Tax Distributions and not treating (x) recovery of Tax basis as opposed to liability for cash Taxes or (y) paying Taxes at different rates as disproportionate consequences).

5.2 Expenses; Compensation The Managing Member shall be entitled to reimbursement by the Company for all reasonable out of pocket expenses (including reasonable legal fees and expenses) incurred by it in connection with its service as Managing Member of the Company other than (a) Transaction Expenses and (b) any costs or expenses for which the Managing Member or any of its Affiliates are responsible for pursuant to Section 10.18 of the Purchase Agreement with respect to the transactions contemplated by the Purchase Agreement.

5.3 Withdrawal; Replacement. In the event that the then-current Managing Member is unable or unwilling to serve as Managing Member, or withdraws, such then-current or withdrawing Managing Member shall select and designate a successor Managing Member.

5.4 Officers.

(a) Designation; Term; Qualifications. The Managing Member may, from time to time, appoint one or more Persons to be officers of the Company. Any officer so appointed shall have authority and perform such duties as the Managing Member may, from time to time, delegate to him or her, and shall be subject to KDP's Grant of Authority guidelines and its other policies and procedures and any applicable Employment Agreement to which such officer is a party. No officer needs to be a Member. Any individual may hold two or more offices of the Company. No officer may take any action under this Agreement that would be in breach of KDP's Grant of Authority guidelines or its other policies and procedures.

(b) Each officer shall hold office for the term for which such officer is appointed by the Managing Member and until his or her successor shall be duly appointed and shall qualify, or until his or her death, resignation or removal as provided in this Agreement. In exercising their rights and performing their duties under this Agreement, officers shall have fiduciary duties similar to those of officers of a business corporation organized under the DGCL. Notwithstanding the foregoing, each Minority Member hereby, to the fullest extent permitted by applicable Law, irrevocably waives any claim or cause of action against any officer of the Company that may from time to time arise in respect of a breach by such officer of its fiduciary duties. The individuals set out on Schedule B are hereby appointed as the officers of the Company as of the date of this Agreement, each to hold office until his or her death, resignation or removal as provided in this Agreement.

(c) Removal and Resignation. The Managing Member may remove any officer of the Company as such, with or without cause, at any time. Any officer of the Company may resign as such at any time upon written notice to the Company. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time of its receipt by the Company. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. The resignation or removal of an officer who is also a Member shall not affect such individual's rights as a Member and shall not constitute the withdrawal of a Member.

(d) Vacancies. Any vacancy occurring in any office of the Company may be filled by Managing Member approval in accordance with Section 5.1.

Article VI RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 Limitation of Liability. Except as otherwise provided by the Delaware Act, no Member shall be obligated personally for any debt, obligation or liability of the Company or of any of its Subsidiaries or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its power or management of its business or affairs under the Delaware Act or this Agreement shall not be grounds for imposing personal liability on any Member for any debts, obligations or liabilities of the Company, whether arising in contract, tort or otherwise.

6.2 Withdrawal; Resignation. No Member shall have the power or right to withdraw or otherwise resign from the Company prior to the dissolution and winding up of the Company pursuant to Article XI, without the prior written consent of the Managing Member (which consent may be withheld by the Managing Member in its sole discretion) except as otherwise expressly permitted by this Agreement. As soon as any Person who is a Member ceases to hold any Units, such Person shall no longer be a Member.

6.3 Lack of Authority. No Member (in its capacity as such) other than the Managing Member has the authority or power to act for or on behalf of the Company and/or any of its Subsidiaries in any manner or way, to bind the Company and/or any of its Subsidiaries, or do any act that would be (or could be construed as) binding on the Company and/or any of its Subsidiaries, in any manner or way, or to make any expenditures on behalf of the Company and/or any of its Subsidiaries, unless such specific authority has been expressly granted to and not revoked from such Member by the Managing Member, and the Members hereby consent to the exercise by the Managing Member of the powers conferred on it by Law and this Agreement.

6.4 Exculpation.

(a) Subject to applicable Law, no Member (in its capacity as such) including the Managing Member or any Affiliate of any such Member (in its capacity as such), or any current, former, future, direct or indirect partner, manager, member, shareholder, employee, director, officer, management company, incorporator, successor or agent of any such Member (in each case in its capacity as such) or officer of the Company or the Partnership Representative (each, a “Covered Person”) shall be liable, in damages or otherwise, to the Company, the Members or any of their Affiliates or successors or assigns for any act or omission performed or omitted by any of them that relates to the Company or any of its Subsidiaries (including any act or omission performed or omitted by any of them in reliance upon and in accordance with the opinion or advice of experts, including legal counsel as to matters of law, accountants as to matters of accounting, tax advisors as to tax matters, including tax returns, taking tax positions and handling tax controversies and other interaction with governmental entities or authorities with respect to taxes, or investment bankers or appraisers as to matters of valuation), other than (i) liability of a Covered Person for breach of this Agreement by such Covered Person or (ii) by reason of acts or omissions related to the Company which are found by a court of competent jurisdiction upon entry of a final and non-appealable judgment to be the result of such Covered Person’s actual and intentional fraud, gross negligence or willful misconduct. To the maximum extent permitted by Law, the Person bringing a claim against any Covered Person shall bear the

burden of establishing a prima facie case that an Covered Person is not entitled to the benefit of the exculpation provisions set forth in this Section 6.4.

(b) To the fullest extent permitted by Law, and notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provisions of Law or equity or otherwise, no Member (including the Manager Member), acting in such Person's capacity as a Member or manager (including in performing any duties or obligations assigned to such Member pursuant to this Agreement), as applicable, shall (i) have any fiduciary or other duties to the Company or any Member other than the duty to comply with the applicable terms and provisions of this Agreement or (ii) be obligated to do or perform any act or thing in connection with the Company and its Subsidiaries not expressly set forth in this Agreement or any other agreement to which such Person is a party.

6.5 Indemnification.

(a) Generally. Subject to Section 4.6, the Company hereby agrees to indemnify and hold harmless any Covered Person to the fullest extent permitted by the Delaware Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Company is providing immediately prior to such amendment, substitution or replacement), against all expenses, liabilities and losses (including reasonable attorney fees or other expenses incurred in investigating or defending against such expenses, losses and liabilities) reasonably incurred or suffered by such Covered Person by reason of (i) any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company in connection with the business of the Company, or (ii) such Covered Person being or acting in connection with the business of the Company as a Member, an officer or principal of the Company or is or was serving at the request of the Company as a managing member, manager, officer, director, principal, observer or member of another corporation, partnership, joint venture, limited liability company, trust or other enterprise; provided that (x) such Covered Person acted in good faith and in a manner believed by such Covered Person to be in, or not opposed to, the best interests of the Company and within the scope of such Covered Person's authority conferred on such Covered Person by the Company and, with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful, and (y) such Covered Person's conduct did not constitute actual and intentional fraud, gross negligence, willful misconduct or a breach or knowing violation by such Covered Person's agreements contained herein or in any agreements with the Company or its Subsidiaries, in either case as determined by a final judgment, order or decree of a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected). Expenses, including reasonable attorneys' fees and expenses, incurred by any such Covered Person in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such Covered Person to repay such amount if it shall ultimately be determined that such Covered Person is not entitled to be indemnified by the Company.

(b) Non-exclusivity of Rights. The right to indemnification and the advancement of expenses conferred in this Section 6.5 shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement, law, or otherwise. The Managing Member may grant any rights comparable to those set forth in this Section 6.5 to any officer, employee, agent or representative of the Company or such other Persons as it may determine.

(c) Limitation. Notwithstanding anything contained herein to the contrary (including in this Section 6.5), any indemnity by the Company relating to the matters covered in

this Section 6.5 shall be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing or is found in a final decision by a court of competent jurisdiction to have personal liability on account thereof) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the Company.

(d) Savings Clause. If this Section 6.5 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered Person pursuant to this Section 6.5 to the fullest extent permitted by any applicable portion of this Section 6.5 that shall not have been invalidated and to the fullest extent permitted by applicable Law.

6.6 Title to Company Assets. The assets of the Company shall be deemed to be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such the Company's assets or any portion thereof. Legal title to any or all of the Company's assets may be held in the name of the Company or one or more nominees, as the Managing Member may determine.

6.7 Investment Opportunities; Conflicts of Interest; Non-Compete.

(a) Each of KDP and its Affiliates, including the Managing Member, and their respective Representatives (the "KDP Parties") has the right to, and shall have no fiduciary duty or other duty (contractual or otherwise) not to, directly or indirectly engage or invest in the same or similar business activities or lines of business as the Company or any of its Subsidiaries, on its own account, or in partnership with, or as an employee, officer, director or stockholder of any other Person, including any business activities or lines of business in competition with or complementary to the Company and its Subsidiaries. None of the Company or any of its Subsidiaries or any Member shall have any rights in or to the business ventures of any KDP Party, or the income or profits derived therefrom. Each of the KDP Parties may do business with any potential or actual customer or supplier of the Company or any of its Subsidiaries. Each of the KDP Parties may employ or otherwise engage any officer or employee of the Company or any of its Subsidiaries. In the event that any KDP Party acquires knowledge of a potential transaction or matter that may be an opportunity for the Company, any of its Subsidiaries, or any other Member, such Person with knowledge of such opportunity shall have no fiduciary duty or other duty (contractual or otherwise) to communicate or present such opportunity to the Company, any of its Subsidiaries, any other Member or their respective Affiliates, as the case may be, and, notwithstanding any other provision of this Agreement to the contrary, shall not be liable to the Company, any of its Subsidiaries or any other Member (or their respective Affiliates) for breach of any fiduciary duty or other duty (contractual or otherwise) by reason of the fact that such Person directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another Person, or does not present such opportunity to the Company, any of its Subsidiaries, or any other Member.

(b) Each Member hereby, to the fullest extent permitted by applicable Law:

(i) confirms that, notwithstanding anything herein to the contrary, the Managing Member and its Affiliates, in his or her capacity as a Managing Member, as the case may be, has no fiduciary or other common law duty to the Company or its Subsidiaries;

(ii) confirms that each of the Managing Member and its Affiliates, in his or her capacity as a Managing Member, as the case may be, has no fiduciary or other common law duty to any Member;

(iii) acknowledges and agrees that, (A) in the event of any conflict of interest between the Company or any of its Subsidiaries, on the one hand, and the Managing Member or any of its Affiliates, on the other hand, subject to its compliance with the express terms of this Agreement, the Managing Member and such Affiliates may act solely in their own best interest and (B) none of the Managing Member nor any of its Affiliates shall be obligated (1) to reveal to the Company or any of its Subsidiaries Confidential Information belonging to or relating to the business of the Managing Member or its Affiliates or (2) to recommend or take any action in its capacity as member or manager of the Company, as the case may be, that prefers the interest of the Company or any of its Subsidiaries over the interest of the Managing Member or any of its Affiliates, as the case may be; and

(iv) irrevocably waives any claim or cause of action against the Managing Member and its Affiliates and any officer, employee, or agent thereof, as the case may be, that may from time to time arise in respect of a breach by any of the Managing Member or its respective Affiliates and or officers, employees or agents thereof, as the case may be, of any duty or obligation disclaimed under Section 6.7 or any other provision of this Agreement.

(c) So long as any Member that is or has been an employee of the Company or any of its Subsidiaries (“Employee Member”) remains employed by the Company, such Employee Member shall, and shall cause each of their Affiliates to, (i) bring all investment or business opportunities to the Company of which any of the foregoing become aware and which they believe are, or may be, within the scope and investment objectives related to the business of the Company or any of its Subsidiaries, which would or may be beneficial to the business of the Company or any of its Subsidiaries, or are otherwise competitive with the business of the Company or any of its Subsidiaries and (ii) without limiting the provisions of any non-competition, non-solicitation, non-disclosure agreements or other written agreements between an Employee Member and the Company or its Subsidiaries, not directly or indirectly engage in any business activity, or provide any services to any entity or individual, or have any direct or indirect ownership interest in any business involved in the manufacture, marketing, distribution or sale of sports nutrition supplements, health supplements, sports beverages and performance enhancement products or any other business activity as approved by the Managing Member in each case to the extent the Company is actively engaged in such business during the Employee Member’s ownership of Units, outside of the Company’s Business. Each Member (including the Managing Member) that is not an Employee Member and such Member’s Affiliates shall have no fiduciary obligations with respect to the Company or to any other Member with respect to any investment or business opportunities of any kind and may engage in whatever activities such Member or other Person may choose, without having or incurring any obligation to offer any interest in such activities to the Company or to the other Members, subject to the provisions of any non-competition, non-solicitation, non-disclosure agreements or other written agreements between such Person and the Company or its Subsidiaries.

(d) Each Employee Member hereby acknowledges and agrees that such Employee Member can earn a living without violating the restrictions contained in this Section 6.7. Each Employee Member hereby acknowledges and agrees that the breach by such Employee Member of its covenants and obligations under Section 6.7 or Section 6.8 will cause irreparable harm and significant injury to the Company and its Subsidiaries which could be difficult to limit or quantify. Accordingly, such Employee Member agrees that the Company shall have the right to seek an immediate injunction, specific performance or other equitable relief due to any such breach, without posting any bond therefor, in addition to any other remedies that may be available to the Company or the other Members at Law or in equity.

(e) Neither the alteration, amendment or repeal of Section 6.7 nor the adoption of any provision of this Agreement inconsistent with Section 6.7 shall eliminate or reduce the effect of Section 6.7 in respect of any matter occurring, or any cause of action, suit or

claim that, but for Section 6.7, would accrue or arise, prior to such alteration, amendment, repeal or adoption.

6.8 Confidentiality. Each Member recognizes and acknowledges that it has and may in the future receive certain confidential and proprietary information and trade secrets of the Company and its Subsidiaries, including, but not limited to, Confidential Information of the Company and its Subsidiaries regarding identifiable, specific and discrete business opportunities being pursued by the Company or its Subsidiaries. Except as otherwise consented to by the Managing Member in writing, each Member (other than the Managing Member) (on behalf of itself and, to the extent that such Member would be responsible for the acts of the following Persons under principles of agency law, its Representatives)) agrees that it will not and will cause its respective Representatives not to, during or after the term of this Agreement and thereafter, whether directly or indirectly (through an Affiliate or otherwise), disclose Confidential Information to any Person for any reason or purpose whatsoever, except (i) as is required to be disclosed by order of a court of competent jurisdiction, or by subpoena, summons or legal process, or by law, rule or regulation; provided that the Member required to make such disclosure pursuant to the foregoing clause (i) shall provide to the Company prompt notice of such disclosure; (ii) to fulfill its obligations and exercise or enforce its rights under this Agreement; (iii) to such Member's Representatives that, in each case, (x) need to know the Confidential Information in connection with any of the foregoing, (y) are informed of such Member's obligations under this Agreement and (z) are bound by confidentiality obligations substantially similar to such Member's obligations under this Agreement; provided that such Member shall be responsible for any act or omission by any of its Representatives that would have constituted a breach of this Agreement by such Representative if such Representative had been a party to this Agreement, and the Member shall use best efforts to prevent any of its Representatives who receive Confidential Information from violating the restrictions set forth herein. Each Member shall promptly notify the Company of any violation of the restrictions set forth in this Agreement of which it becomes aware. Each Member and its Representatives acknowledges that the Confidential Information may be material non-public information and that it is aware of, and that it will comply with, applicable United States securities laws. Each Member and its Representatives acknowledges and agrees that such Member's obligations under this Section 6.8 shall continue for 2 years following termination of such Member's membership in the Company. For purposes of this Section 6.8, the term "Confidential Information" shall not include any information of which (x) such Person learns from a source other than the Company or its Subsidiaries, or any of their respective representatives, employees, agents or other service providers, and in each case, who is not bound by a confidentiality obligation, or (y) at the time of disclosure or thereafter becomes available to the public other than as a result of disclosure directly or indirectly by such Person or any of such Person's Affiliates or Representatives in violation of this Agreement or any other confidentiality agreements of such other Person. Nothing in this Section 6.8 shall in any way limit or otherwise modify any confidentiality covenants entered into by any employee of the Company or its Subsidiaries pursuant to any other agreement entered into with the Company or any of its Subsidiaries.

6.9 Non-Disparagement. Without limiting the provisions of any non-competition, non-solicitation, non-disclosure agreements or other written agreements between a Member and the Company or its Subsidiaries, each Member (other than the Managing Member) hereby covenants and agrees, while it is a Member and any time thereafter, that it shall not, directly or indirectly, disparage, criticize, defame, slander or otherwise make any negative statements or communications regarding the Company or its Subsidiaries, the Managing Member or any of their respective Affiliates, including, without limitation, any of their respective past and present Members, investors, officers, managers, directors or employees. The foregoing shall not (a) be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in

connection with such proceedings), or (b) restrict or impede any party from exercising protected rights to the extent that such rights cannot be waived under applicable Law

Article VII
BOOKS, RECORDS, ACCOUNTING AND REPORTS; INSPECTION

7.1 Records and Accounting.

(a) The Company shall, and shall cause each of its Subsidiaries to, keep, or cause to be kept, complete and accurate books and records of account of the Company and its Subsidiaries keep, or cause to be kept, appropriate books and records with respect to the Company's business as may be directed by the Managing Member. All matters concerning (i) the determination of the relative amount of allocations and distributions among the Members pursuant to Article III and Article IV and (ii) accounting procedures and determinations, and other determinations not specifically and expressly provided for by the terms of this Agreement, shall be reasonably determined by the Managing Member in good faith. Such determination by the Managing Member shall be final and conclusive as to all of the Members absent manifest clerical error; provided that such determination was not otherwise made in breach of the immediately preceding sentence.

(b) In addition to, and without limiting the foregoing, for so long as the Managing Member or any of its Affiliates is required by Law or any generally accepted accounting principles (including GAAP) to consolidate the financial results of the Company into its financial statements, the Company shall provide to the Managing Member and/or any designated Affiliate thereof, reasonably promptly upon request (and, so long as the Managing Member and/or any such designated Affiliate thereof, has timely made such request, within a sufficient period of time so as to allow such party to comply with any Law or accounting requirement applicable to it), any information reasonably requested for the purposes of such consolidation.

7.2 Tax Reports. The Company shall use commercially reasonable efforts to deliver or cause to be delivered, to each Person who was a Member at any time during such Fiscal Year (a) prior to March 15 of the following Fiscal Year, an estimate of all information necessary for the preparation of such Person's United States federal, state and other tax returns, including a copy of such Member's Schedule K-1, and (b) prior to May 31 of the following Fiscal Year, all information necessary for the preparation of such Person's United States federal and state income tax returns.

7.3 Information Rights.

(a) Promptly upon request, the Company shall, at its sole cost and expense, furnish, or cause to be furnished, to the Managing Member and, so long as such Person is a Member, [***], the Annual Financial Statements and the Quarterly Reports.

(b) Pursuant to Section 18-305(g) of the Delaware Act, each Member's (other than the Managing Member and its Affiliates) sole rights to receive information regarding the Company and its Subsidiaries and their respective businesses and operations or access to their respective books and records shall be limited to the rights to receive information under Section 7.2 and Section 7.3(a). Notwithstanding anything in this Agreement to the contrary, in no event shall any Member (other than the Managing Member) be entitled to receive any Tax Return or other financial information of KDP or any of its Affiliates (or any copy thereof). The rights of Members (other than the Managing Member) to obtain or access information described in Section 7.2 and Section 7.3(a) are intended to override, and are included herein in lieu of, the terms set forth in Section 18-305 of the Delaware Act.

7.4 Financial Statements. The Company shall timely prepare (a) annual audited financial statements, consolidated balance sheets and related statements of income and cash flows of the Company and its Subsidiaries for such Fiscal Year and as of the end of such Fiscal Year, in each case, prepared in accordance with GAAP consistently applied (the “Annual Financial Statements”) within one hundred and 180 days following the expiration of the applicable Fiscal Year, (b) net sales and Adjusted EBITDA amounts for the applicable fiscal quarter within 60 days after the end of the Company’s first three quarters in each Fiscal Year (the “Quarterly Reports”), and (c) any other additional information as may be requested by the Managing Member.

7.5 Independent Auditor. Any audit of the Company’s and its Subsidiaries’ financial statements will be conducted, at the request of the Managing Member, by an independent auditor selected by the Managing Member.

7.6 Restriction on Capitalization Information. Except for the Managing Member and, so long as such Person is a Member, [***], each holder of Units agrees that such holder has no right to, and none of the Company, the Managing Member nor any other Member shall have any duty or obligation to disclose to such holder, any information regarding any Units issued to any other Unit holder, including, without limitation, the information set forth on Schedule A and other information regarding the number or amount thereof.

Article VIII TAX MATTERS

8.1 Tax Returns. The Company shall prepare and file all necessary federal, state, local and non-U.S. tax returns, including making the elections described in Section 8.2. Each Member shall furnish to the Company all pertinent information in its possession relating to the Company’s operations that is necessary to enable the Company’s income tax returns to be prepared and filed.

8.2 Tax Decisions. The Taxable Year shall be the Fiscal Year unless the Managing Member shall determine otherwise in accordance with applicable Law or unless required by the Code. The Managing Member shall (i) cause the Company to file an election under Section 754 of the Code and the Treasury Regulations thereunder for the taxable year including the Effective Date and (ii) without limiting any Member’s rights or obligations pursuant to Section 6.08 of the Purchase Agreement or Section 8.3 of this Agreement and subject to Section 5.1(d)(vi) of this Agreement have the authority to make or cause to be made all tax decisions with respect to the Company. Each Member will upon reasonable request supply any information in its possession necessary to give proper effect to any such elections.

8.3 Tax Controversies.

(a) The Managing Member (or its designee) shall be the “partnership representative” of the Company for purposes of the Partnership Tax Audit Rules (the “Partnership Representative”). Each Member hereby consents to such designation and agrees that, upon the request of the Managing Member it will execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. In addition, (i) the Partnership Representative is hereby authorized to (A) designate any other Person selected by the Partnership Representative as the partnership representative or “designated individual” within the meaning of Treasury Regulations Section 301.6223-1(b)(3), and (B) take, or cause the Company to take, such other

actions as may be necessary or advisable pursuant to Treasury Regulations or other guidance to ratify the designation, pursuant to this Section 8.3, of the Partnership Representative (or any Person selected by the Partnership Representative) as the “partnership representative;” and (ii) each Member agrees to take such other actions as may be requested by the Partnership Representative to ratify or confirm any such designation pursuant to this Section 8.3. The Partnership Representative is authorized (a) to represent the Company (at the Company’s expense) in connection with all examinations by income tax authorities of the Company’s affairs and any Company related items, including resulting administrative and judicial proceedings, (b) to sign consents and to enter into settlements and other agreements with such authorities with respect to any such examinations or proceedings, (c) to expend Company funds for professional services and costs associated therewith and (d) to take any other action necessary or advisable under the Partnership Tax Audit Rules. Each Member will cooperate with the Partnership Representative and do or refrain from doing any or all things reasonably requested by the Partnership Representative with respect to the conduct of such examinations or proceedings, including providing any information in its possession or which it could obtain without undue cost or expense requested by the Partnership Representative in connection with such proceeding. Subject to the provisions of the Purchase Agreement, the Partnership Representative has sole discretion to determine whether the Company will contest or continue to contest any income tax deficiencies assessed or proposed to be assessed by any income taxing authority on the Company. Subject to the provisions of the Purchase Agreement, the Partnership Representative shall promptly inform the Minority Members of all material tax audits and examinations initiated by any taxing authority with respect to the Company and shall keep the Minority Members reasonably informed of material progress of any examinations, audits or other proceedings and allow the Members a reasonable opportunity to participate therein. The Partnership Representative shall (or the Company shall cause the Partnership Representative to) not resolve, settle, or abandon any material tax audit, examination or other proceeding with respect to the Company which is reasonably expected to result in the imposition of more than a *de minimis* amount of Taxes owed by the Minority Members the without the prior written consent of the Minority Members, not to be unreasonably withheld, conditioned or delayed.

(b) If the Company incurs an Imputed Underpayment Amount, the Partnership Representative shall determine in its discretion the portion of such Imputed Underpayment Amount attributable to each such Member or former Member (or their respective transferees), and the Managing Member may offset any Distribution (other than a Tax Distribution) or such portion of the Per Unit Redemption Price, the Bad Leaver Per Unit Redemption Price or the Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, to which a Person is otherwise entitled under this Agreement against such attributable amount. The Members shall use commercially reasonable efforts to cooperate with the Partnership Representative, “designated individual” and the Company in making any election under Section 6226 of the Code, including by providing any information reasonably requested by any of them in making such election and ensuring such election is valid, and the portion of any Imputed Underpayment Amount attributed to a former Member as a result of the failure to comply with this Section 8.3(b) shall be treated as an obligation of such Person with respect to both such former Member and such Member Member’s transferee(s), as applicable. The immediately forgoing sentence shall survive the termination, dissolution, liquidation and winding up of the Company, and each Member’s obligations under this Section 8.3(b) shall survive the termination of such Member’s membership in the Company.

(c) The Company agrees (i) to indemnify and hold harmless the Partnership Representative and “designated individual” from and against any and all liability, loss, costs and expense with respect to its capacity as a Partnership Representative and (ii) it will not require the Members to amend any Tax Returns pursuant to Section 6225(c)(2)(A) of the Code or otherwise in connection with the resolution of tax audit, examination or other proceeding.

Article IX
TRANSFER OF UNITS; REPURCHASE OF UNITS

9.1 Lock-Up. From the date hereof until the Mandatory Redemption Date, (the “Lock-Up Period”), no Member may Transfer, or cause the Transfer of, any of its Units or other Equity Securities of the Company, or any beneficial interest in such Units or Equity Securities other than (i) pursuant to the repurchase provisions set forth in Section 9.4, or (ii) to a Permitted Transferee (each of (i) and (ii), an “Exempt Transfer”); provided that in the event of any transfer made pursuant to the exemption provided by clause (ii), (a) the transferring Member shall deliver written notice to the Company describing in reasonable detail such Exempt Transfer prior to effecting it and (b) each such Permitted Transferee, prior to the completion of the Exempt Transfer, shall have executed a joinder to this Agreement. Any attempted Transfer in violation of this Section 9.1 shall be deemed null and void for all purposes, and the Company shall not record any such Transfer on its books or treat any purported transferee as the owner of such Units or Equity Securities for any purpose.

9.2 Additional Restrictions on Transfer.

(a) No Avoidance of Provisions. No Member shall directly or indirectly (i) permit the Transfer of all or any portion of the direct or indirect equity or beneficial interest in such Member (except to a Permitted Transferee) or (ii) otherwise seek to avoid the provisions, covenants and terms of this Agreement by issuing, or permitting the issuance of, any direct or indirect equity or beneficial interest in such Member, in any such case in a manner which would fail to comply with this Article IX if such Member had Transferred Units directly.

(b) No Publicly Traded Partnership. No Transfer of any Unit or economic interest shall be permitted or recognized by the Company or the Managing Member (within the meaning of Treasury Regulation Section 1.7704-1(d)), and any such Transfer shall be null and void *ab initio*, if and to the extent that such Transfer would cause the Company to have more than 100 partners (within the meaning of Treasury Regulation Section 1.7704-1(h), including the look-through rule in Treasury Regulation Section 1.7704-1(h)(3)) or could reasonably be expected to cause the Company to be a “publicly traded partnership” within the meaning of Code Section 7704(b) and the Treasury Regulations promulgated thereunder.

9.3 Transfer Fees and Expenses. In connection with an Exempt Transfer to a Permitted Transferee pursuant to Section 9.1, the Transferor and Transferee of any Units or other interest in the Company shall be jointly and severally obligated to reimburse the Company for all reasonable expenses (including attorneys’ fees and expenses) of any Transfer or proposed Transfer, whether or not consummated.

9.4 Unit Repurchases.

(a) Notwithstanding anything to the contrary in this Agreement, any or all Class B-2 Units held by a Class B-2 Member and any Permitted Transferee thereof shall be subject to repurchase by the Minority Members on a pro rata basis (based on the number of Minority Units) at any time prior to the Mandatory Redemption Date, at the election of the Minority Members Representative, in the event that the employment with KDP, the Company or any of their respective Affiliates of such Class B-2 Member terminates for any reason prior to the Mandatory Redemption Date (such repurchase right, the “B-2 Repurchase Right”) at a per Unit purchase price equal to (i) \$[***] divided by (ii) the total number of issued and outstanding Units as of the date hereof (the “Per Unit Repurchase Price”). The foregoing B-2 Repurchase Right shall not be applicable to any Class B-2 Units held by [***].

(b) Notwithstanding anything to the contrary in this Agreement, any Units held by a Bad Leaver or a Bad Leaver for Reputation Harm shall be subject to purchase by the Managing Member (or its designee) at any time prior to the Mandatory Redemption Date, in the Managing Member's sole discretion, in the event that a Bad Leaver Event occurs (such purchase right, the "Bad Leaver Repurchase Right") and, together with the B-2 Repurchase Right, the "Repurchase Rights") at a per Unit purchase price equal to the Adjusted Bad Leaver Per Unit Redemption Price or the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, as determined on the Mandatory Redemption Date.

(c) The Repurchase Rights shall be exercised by delivery of written notice to the applicable Class B-2 Member or Bad Leaver or Bad Leaver for Reputation Harm setting forth the number of Units to be repurchased from such Class B-2 Member, such Bad Leaver or such Bad Leaver for Reputation Harm and the time and place for the closing of the repurchase (a "Repurchase Notice"). The closing of the repurchase of Class B-2 Units or Units, as applicable, pursuant to the Repurchase Rights shall take place on the date designated by the Minority Members Representative or the Managing Member, as applicable, in the Repurchase Notice, which date may be at any time, or such other date as may be agreed by the Minority Members Representative or the Managing Member, as applicable, and the applicable Class B-2 Member or Bad Leaver or Bad Leaver for Reputation Harm (the "Repurchase Date"). On the applicable Repurchase Date, (i) each Class B-2 Unit that is subject to the Repurchase Rights shall be automatically, and without any further action of any Person, repurchased by the Minority Members on a pro rata basis based on the number of Minority Units at the Per Unit Repurchase Price, and the holders of such Class B-2 Units shall cease to be a Member with respect to such Class B-2 Units so repurchased, (ii) each Unit held by a Bad Leaver that is subject to the Repurchase Rights shall be automatically, and without any further action of any Person, purchased by the Managing Member (or its designee) at the Adjusted Bad Leaver Per Unit Redemption Price, and the Bad Leaver shall cease to be a Member with respect to such Units so purchased, and (iii) each Unit held by a Bad Leaver for Reputation Harm that is subject to the Repurchase Rights shall be automatically, and without any further action of any Person, purchased by the Managing Member (or its designee) at the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price, and the Bad Leaver for Reputation Harm shall cease to be a Member with respect to such Units so purchased. The Minority Members (on a pro rata basis based on the number of Minority Units) or the Managing Member, as applicable, may satisfy the payment obligations to the Class B-2 Member or Bad Leaver or Bad Leaver for Reputation Harm, as applicable, contemplated by this Section 9.4, by issuance of a note to the applicable Class B-2 Member or Bad Leaver or Bad Leaver for Reputation Harm, which note shall (i) not incur interest and (ii) shall mature and become payable on the Mandatory Redemption Date. For the avoidance of doubt, the note issuable in connection with the Bad Leaver Repurchase Right need not reference a specific dollar value for the Units subject thereto and may reference as consideration for such Units the Adjusted Bad Leaver Per Unit Redemption Price or the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, as such amount will be calculated in connection with the Mandatory Redemption.

Article X MANDATORY REDEMPTION

10.1 Mandatory Redemption.

(a) Mandatory Redemption. No later than [***] days following the date on which KDP's annual consolidated financial statements for fiscal year 2027 are reported (such date, the "Mandatory Redemption Date"), the Managing Member shall purchase, or cause to be purchased by an Affiliate thereof (including the Company, if the Managing Member so elects) (the "Mandatory Redemption Purchaser"), from the Minority Members, and each of the Minority Members shall sell or cause to be sold to the Mandatory Redemption Purchaser, each of the

Minority Units held by such Minority Member at the (i) Adjusted Per Unit Redemption Price (with respect to Minority Units held by a Minority Member who is not subject to a Bad Leaver Event), (ii) Adjusted Bad Leaver Per Unit Redemption Price (with respect to Minority Units held by a Minority Member who is subject to a Bad Leaver Event other than due to a Reputation Harm (such Minority Member, a “Bad Leaver”)) or (iii) Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price (with respect to Minority Units held by a Minority Member who is subject to a Bad Leaver Event due to a Reputation Harm (such Minority Member, a “Bad Leaver for Reputation Harm”), as applicable (the “Mandatory Redemption”).

(b) Conversion and Payment. On the Mandatory Redemption Date:

(i) each Minority Unit subject to the Mandatory Redemption shall be automatically cancelled and converted into the right to receive an amount in cash equal to the Adjusted Per Unit Redemption Price (for each Minority Unit not held by a Bad Leaver or Bad Leaver for Reputation Harm), the Adjusted Bad Leaver Per Unit Redemption Price (for each Minority Unit held by a Bad Leaver) or the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price (for each Minority Unit held by a Bad Leaver for Reputation Harm) as applicable, without any further action by any Person, and holders of such Minority Units shall cease to be Members of the Company with respect to such Minority Units. Any disagreement regarding the Adjusted Per Unit Redemption Price, the Adjusted Bad Leaver Per Unit Redemption Price or the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, shall be determined following the Mandatory Redemption Date in accordance with Section 10.2; and

(ii) the Mandatory Redemption Purchaser shall pay, or cause to be paid (including payment to the Paying Agent, for further distribution to the Minority Members in accordance with the Minority Members Representative’s instructions), an amount in cash (without interest) equal to the product of (i) (A) the Adjusted Per Unit Redemption Price multiplied by (B) the number of Minority Units held by Minority Members that are not a Bad Leaver, (ii) (A) the Adjusted Bad Leaver Per Unit Redemption Price multiplied by (B) the number of Minority Units held by Minority Members that are a Bad Leaver and (iii) (A) the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price multiplied by (B) the number of Minority Units held by Minority Members that are a Bad Leaver for Reputation Harm. Each Minority Member shall reasonably cooperate with the Managing Member in connection with the Mandatory Redemption, including by providing its wire transfer information promptly.

(c) Right to Set-Off. With respect to any claims made by an Indemnified Party (as defined in the Purchase Agreement) pursuant to Section 9.02 of the Purchase Agreement, the Mandatory Redemption Purchaser shall have the right to set-off the aggregate amount of Losses (as defined in the Purchase Agreement) in respect of such claims (whether or not such claims and amount of Losses in respect thereof have been finally determined pursuant to Article IX of the Purchase Agreement) against the aggregate Adjusted Per Unit Redemption Price and/or the Adjusted Bad Leaver Per Unit Redemption Price and/or the Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, payable to the Minority Members pursuant to the Mandatory Redemption, on a pro rata basis against such Minority Member based on such Minority Seller’s applicable Indemnity Percentage Allocation (as defined in the Purchase Agreement). Without limitation to the foregoing, the aggregate amount of any such Losses (as defined in the Purchase Agreement) in respect of Pending Claims (as defined in the Purchase Agreement) shall be paid by the Mandatory Redemption Purchaser on or promptly following the Mandatory Redemption Date to the Escrow Agent to be held in escrow pending the final determination thereof pursuant to Article IX of the Purchase Agreement and such amount will be distributed by the Escrow Agent to the Mandatory Redemption Purchaser and/or the

Minority Sellers upon and in accordance with such final determination and the applicable provisions of the Purchase Agreement.

(d) Deferred Payments Adjustment. Without limitation to the foregoing, the maximum amount payable under or pursuant to the Deferred Payments shall be paid by the Mandatory Redemption Purchaser on or promptly following the Mandatory Redemption Date to the Escrow Agent to be held in escrow pending the final determination of all such Deferred Payments. Upon the final determination of all Deferred Payments, the Escrow Agent shall release (i) to the Managing Member, the amount of the Deferred Payments actually paid and (ii) to the Minority Members, the difference between the amounts held in escrow in respect of such Deferred Payments and the amount paid to the Managing Member pursuant to the foregoing clause (i).

(e) All sales and transfer Taxes, recording charges and similar Taxes, fees or charges (including any interest, penalties or additions thereto, “Transfer Taxes”) imposed as a result of the Mandatory Redemption, shall be borne and paid 50% by the Mandatory Redemption Purchaser and 50% by the Minority Members based on each such Minority Member’s Percentage Sharing Interest. The Minority Members and Mandatory Redemption Purchaser shall cooperate in timely making all filings, returns, reports and forms as necessary or appropriate to comply with the provisions of all applicable Tax Laws in connection with the payment of such Transfer Taxes, and shall cooperate in good faith to minimize, to the fullest extent possible under such Tax Laws, the amount of any such Transfer Taxes payable in connection therewith. If any Transfer Tax is not permitted to be paid by the Person responsible therefor pursuant to this Section 10.1(e), the Person responsible under applicable Law for paying such Transfer Tax shall pay such Transfer Tax, subject to reimbursement by the other Member or Members, as applicable, including, at the election of the Managing Member, by offset to amounts payable pursuant to the Mandatory Redemption.

(f) Notwithstanding anything in this Section 10.1 to the contrary,

(i) if the Mandatory Redemption would otherwise result in (A) a Mandatory Redemption Enterprise Value amount calculated in accordance with Schedule C of less than \$[***] and (B) [***] and its Permitted Transferees receiving less than \$[***] (the “[***] Preferred Amount”) in the aggregate for the sale of [***] Units at the Mandatory Redemption (such [***] Units, the “[***] Special Units”) at the applicable Adjusted Per Unit Redemption Price, Adjusted Bad Leaver Per Unit Redemption Price and/or Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price, then any amounts that would otherwise be paid to the Other Minority Members (as defined below) at the Mandatory Redemption shall be reduced by an amount equal to the amount by which the [***] Preferred Amount exceeds the product of (1) the number of [***] Special Units and (2) the applicable Adjusted Per Unit Redemption Price, Adjusted Bad Leaver Per Unit Redemption Price and/or Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price (such excess, the “[***] Deficit Amount”) and such amount shall instead be paid to [***] and its Permitted Transferees (with each dollar of the [***] Deficit Amount to be funded by the Other Minority Members based on their respective OMM Percentage); and

(ii) if the Mandatory Redemption would otherwise result in (A) a Mandatory Redemption Enterprise Value amount calculated in accordance with Schedule C of more than \$[***] and (B) [***] and its Permitted Transferees receiving in excess of the [***] Preferred Amount in respect of the [***] Special Units at the applicable Adjusted Per Unit Redemption Price, Adjusted Bad Leaver Per Unit Redemption Price and/or Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price then (1) the applicable Adjusted Per Unit Redemption Price, Adjusted Bad Leaver Per Unit Redemption Price and/or Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price for the sale in the Mandatory Redemption of the

] Special Units by ***] and its Permitted Transferees shall be reduced to result in an aggregate payment to ***] and its Permitted Transferees of the ***] Preferred Amount and (B) the amount, if any, by which the payment in respect of the ***] Special Units pursuant to the foregoing clause (ii)(A) is reduced (the “] Reallocated Amount”) shall instead be paid to the other Minority Members other than ***] and its Permitted Transferees (the “Other Minority Members”) (with each dollar of the ***] Reallocated Amount split on the basis of each Other Minority Member’s OMM Percentage).

(iii) For purposes of the foregoing clauses (f)(i) and (f)(ii), the “OMM Percentage” shall be calculated by dividing (x) the aggregate total amount of consideration payable in exchange for such Other Minority Member’s Units (at the applicable Adjusted Per Unit Redemption Price, Adjusted Bad Leaver Per Unit Redemption Price and/or Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price) by (y) the aggregate total amount of consideration payable in exchange for all Other Minority Members’ Units (at the applicable Adjusted Per Unit Redemption Price, Adjusted Bad Leaver Per Unit Redemption Price and/or Adjusted Bad Leaver for Reputation Harm Per Unit Redemption Price). For the avoidance of doubt, nothing in the foregoing clauses (f)(i) or (f)(ii) shall increase the aggregate amount otherwise payable by the Managing Member in connection with the Mandatory Redemption.

10.2 Disputes.

(a) Within ***] days following the Mandatory Redemption Date, the Mandatory Redemption Purchaser shall prepare (or cause to be prepared) and deliver (or cause to be delivered) to the Minority Members Representative a statement setting forth a good faith calculation of the Per Unit Redemption Price, the Bad Leaver Per Unit Redemption Price and the Bad Leaver for Reputation Harm Per Unit Redemption Price (such statement, the “Redemption Price Calculation”).

(b) If the Members holding a majority of the Minority Units disagree with the Redemption Price Calculation, the Minority Members Representative may, within ***] days after receipt of the Redemption Price Calculation (the “Review Period”), deliver a written notice (a “Dispute Notice”) setting forth its good faith calculation of each disputed amount (an “Item of Dispute”) (and any calculation or amount in the Redemption Price Calculation that is not an Item of Dispute shall be conclusive and binding upon the Mandatory Redemption Purchaser, the Minority Members Representative and the Minority Members). During the Review Period, the Minority Members Representative shall have reasonable access to books and records of the Company and its Subsidiaries reasonably requested by the Minority Members Representative related to and required to review the Redemption Price Calculation. If no Dispute Notice is delivered to the Mandatory Redemption Purchaser during the Review Period, the Redemption Price Calculation shall be conclusive and binding upon the Mandatory Redemption Purchaser, the Minority Members Representative and the Minority Members. If a Dispute Notice is delivered to the Mandatory Redemption Purchaser during the Review Period, the Mandatory Redemption Purchaser and the Minority Members Representative shall use good faith efforts to resolve each Item of Dispute set forth in the Dispute Notice and, if any Item of Dispute is so resolved, the Redemption Price Calculations shall be modified to the extent necessary to reflect such resolution.

(c) If any Item of Dispute set forth in the Dispute Notice remains unresolved as of the 20th day after delivery by the Minority Members Representative of a Dispute Notice, Mandatory Redemption Purchaser and Minority Members Representative shall jointly retain ***] or if ***] is unable or unwilling to serve in such role, another nationally recognized accounting or consulting firm upon which the Mandatory Redemption Purchaser and Minority Members’ Representative mutually agree (the “Accounting Firm”) to resolve such remaining disagreement. The Mandatory Redemption Purchaser and Minority Members Representative

shall instruct that the Accounting Firm render a determination as to each unresolved Item of Dispute within 30 days after its retention, which determination must be in writing and must set forth, in reasonable detail, the basis therefor and include a certification that it reached such determination in accordance with this Agreement, including the definitions set forth herein. The Mandatory Redemption Purchaser and the Minority Members Representative shall furnish to the Accounting Firm their respective calculation with respect to each Item of Dispute together with documents and information directly related to each Item of Dispute as the Accounting Firm may require and are available to that party. Any submissions to the Accounting Firm must be written and delivered concurrently to each of the Mandatory Redemption Purchaser and the Minority Members Representative. The Mandatory Redemption Purchaser, the Minority Members Representative, the Company and its Subsidiaries and their respective Representatives shall reasonably cooperate with the Accounting Firm so as to enable it to make such determination as quickly and accurately as practicable. The Federal Rules of Evidence Rule 408 shall apply with respect to any communications and other correspondence during the Review Period and any subsequent communications related to the Redemption Price Calculation or the Dispute Notice. The Accounting Firm shall consider only those items and amounts that are an Item of Dispute and that remain unresolved by the Mandatory Redemption Purchaser and the Minority Members Representative, and shall act as an expert and not as an arbitrator. None of the Mandatory Redemption Purchaser, the Minority Members Representative or any of their respective Affiliates or Representatives (including the Minority Members) shall have any *ex parte* conversations or meetings with the Accounting Firm in connection with any dispute submitted to the Accounting Firm without the prior written consent of the Mandatory Redemption Purchaser and the Minority Members Representative. In resolving any Item of Dispute, the Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by either the Mandatory Redemption Purchaser and the Minority Members Representative or less than the smallest value for such item claimed by either the Mandatory Redemption Purchaser and the Minority Members Representative. The Accounting Firm's determination(s) shall be made in accordance with the applicable definitions included in this Agreement. The Accounting Firm's determination of each Item of Dispute submitted to it shall be in writing, shall conform with this Section 10.2 and shall be conclusive and binding upon the Mandatory Redemption Purchaser, the Minority Members Representative and the Minority Members absent manifest error or fraud. The Accounting Firm shall allocate its fees, costs and expenses between the Mandatory Redemption Purchaser, on the one hand, and the Minority Members Representative on behalf of the Minority Members, on the other hand, based upon the percentage which the portion of the contested amount not awarded to each such party bears to the amount actually contested by such party. For example, if the Mandatory Redemption Purchaser claims that the Redemption Price Calculation is, in the aggregate, \$1,000 less than the amount determined by the Minority Members Representative, and if the Accounting Firm ultimately resolves the dispute by awarding to Mandatory Redemption Purchaser an aggregate of \$700 of the \$1,000 contested, then the costs and expenses of the Accounting Firm will be allocated 30% to the Mandatory Redemption Purchaser and 70% to the Minority Members Representative on behalf of the Minority Members. Except as provided in the immediately preceding sentences, all other costs and expenses incurred by the parties in connection with resolving any dispute before the Accounting firm shall be borne by the party incurring such cost and expense.

(d) Notwithstanding anything to the contrary herein, in the event of a dispute regarding the Per Unit Redemption Price, the Bad Leaver Per Unit Redemption Price or the Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable, or otherwise in connection with the Mandatory Redemption, the Minority Members shall in no event have the right to withhold any of the Minority Units to be transferred pursuant to the Mandatory Redemption and the Minority Members' sole recourse shall be a claim for monetary damages in respect of such dispute. This Section 10.2 shall be the sole dispute mechanism available to the Minority Members in respect to any claim relating to any error in the calculation of the Per Unit

Redemption Price, the Bad Leaver Per Unit Redemption Price or the Bad Leaver for Reputation Harm Per Unit Redemption Price.

10.3 Operation of the Business. Subject to Section 5.1(d), the Managing Member shall have the right to conduct the business of the Company in its sole discretion; provided that the Managing Member shall, and shall cause the Company to, act in good faith with respect to the operation of its business. Without limitation of the obligations of the Managing Member set forth in this Section 10.3, the Managing Member shall not be obligated to, and shall not be obligated to cause the Company to, conduct the business of the Company and its Subsidiaries to maximize the Per Unit Redemption Price and/or the Bad Leaver Per Unit Redemption Price and/or the Bad Leaver for Reputation Harm Per Unit Redemption Price, as applicable. Subject to Section 4.1, the Managing Member shall have complete and full control of and access to the cash of the Company and its Subsidiaries, and shall be permitted to distribute all or any of such cash to solely to the Class A Members without making any corresponding pro rata distribution in respect of the Minority Units. For the avoidance of doubt, nothing in this Agreement shall restrict the Company from entering into any arms-length transaction or series of transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) of any kind whatsoever.

Article XI DISSOLUTION AND LIQUIDATION

11.1 Dissolution.

(a) The Company shall be dissolved and its affairs wound up the first of the following to occur:

(i) a determination by the Managing Member to dissolve the Company;

(ii) any time there are no members of the Company unless the Company is continued without dissolution in accordance with the Delaware Act; or

(iii) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act; provided that, notwithstanding anything contained herein to the contrary, no Member (other than the Managing Member) shall make an application for the dissolution of the Company pursuant to Section 18-802 of the Delaware Act without the consent of the Managing Member.

The Members hereby agree that, notwithstanding any provision of the Delaware Act, the Company shall not dissolve as long as obligations remain outstanding in respect of the Mandatory Redemption.

(b) Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 11.2 and the Certificate of Formation shall have been cancelled.

(c) An Event of Withdrawal shall not cause a dissolution of the Company and the Company shall continue in existence subject to the terms and conditions of this Agreement.

11.2 Liquidation. On the dissolution of the Company:

(a) all debts, liabilities and obligations of the Company shall be paid, satisfied or discharged or adequate provision for the payment and discharge thereof shall otherwise be made; and

(b) after payment or provision for payment of all of the Company's debts, liabilities and obligations has been made in accordance with Section 11.1(a), all remaining assets of the Company shall be distributed to the Members pro rata based on their respective Percentage Sharing Interest.

11.3 Certificate of Cancellation. Upon completion of the distribution of Company assets in accordance with Section 11.2, the Company and this Agreement shall terminate upon the filing of a certificate of cancellation of the Company in accordance with Section 18-203 of the Delaware Act. The Company shall be deemed to continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 11.3.

11.4 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 11.2 in order to minimize any losses otherwise attendant upon such winding up.

Article XII VALUATION

12.1 Valuation of Equity Securities. With respect to any other provision of this Agreement (other than Section 11.2(b)), the "Fair Market Value" of any Equity Securities shall be equal to the fair value thereof as of the date of valuation as determined by the Managing Member in good faith on the basis of an orderly sale to a willing, unaffiliated buyer in an arm's length transaction, taking into account all relevant factors determinative of value; provided that with respect to the issuance of any Unit, such determination shall be made without discount for minority interest or lack of marketability.

12.2 Valuation of Other Assets and Securities. The Fair Market Value of any other securities issued by the Company, or any other non-cash assets or securities for which "Fair Market Value" is to be determined hereunder, shall mean the fair value for such assets or securities as of the date of valuation as reasonably determined by the Managing Member in good faith on the basis of an orderly sale to a willing, unaffiliated buyer in an arm's length transaction, taking into account all relevant factors determinative of value (and giving effect to any Transfer Taxes payable or discounts in connection with such sale); provided that no deduction, discount or other subtraction shall be made whatsoever for the possible minority status of the holder of such security or for any lack of marketability of such security or any restrictions on the transfer thereof.

Article XIII GENERAL PROVISIONS

13.1 Power of Attorney. Each Member hereby constitutes and appoints the Managing Member, with full power of substitution, as his, her, or its true and lawful agent and attorney-in-fact, with full power and authority in his or its name, place and stead, acting reasonably, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) this Agreement, all certificates and other instruments and all amendments thereof in accordance with the terms hereof which the Managing Member deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (b) all instruments which the Managing Member deems appropriate or necessary to

reflect any amendment, change, modification or restatement of this Agreement adopted in accordance with its terms; (c) all conveyances and other instruments or documents which the Managing Member deems appropriate or necessary to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement, including a certificate of cancellation; (d) all instruments relating to the admission, withdrawal or substitution of any Member; (e) all documents and instruments which the Managing Member deems appropriate or necessary to effect the transfer of the Minority Units at the Mandatory Redemption Date pursuant to the Mandatory Redemption under Section 10.1; and (f) all documents and instruments which are necessary to effect the transfer of Units at the Repurchase Date pursuant to the Repurchase Rights under Section 9.4. The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member and the Transfer of all or any portion of its Units and shall extend to such Member's heirs, successors, assigns and personal representatives. Notwithstanding the foregoing, nothing in this Section 13.1 shall be deemed to be a grant of a power-of-attorney by [***] to execute any document, certification or similar instrument in the name of [***].

13.2 Amendments. This Agreement may be amended, modified, or supplemented by the Managing Member and any provision, covenant and term hereto terminated or waived by the Managing Member; provided that if any such amendment, modification or waiver would (a) materially adversely and disproportionately affect the Minority Members in a manner different than a Class A Member or (b) make any material changes to Sections 3.2, 4.1, 4.6, 5.1(d), 6.5, 8.3, 9.4, 10.1, 13.2 or Schedule G (or any definitions that would substantively change such sections even if such terms are defined elsewhere in this Agreement), then such amendment, modification or waiver shall also require the approval of the Minority Members representing a majority of the Minority Units that are not then currently or formerly held by any Bad Leaver or Bad Leaver for Reputation Harm.

13.3 Specific Performance. Each Member acknowledges that it shall be inadequate or impossible, or both, to measure in money the damages to the Company or the Members, if any of them or any Transferee or any legal representative of any party hereto fails to comply with any of the restrictions or obligations herein imposed on them and that, in the event of any such failure, the Company or the Members may not have an adequate remedy at Law or in damages. Any such party shall, therefore, be entitled (in addition to any other remedy to which such party may be entitled at Law or in equity) to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond or other security, and, if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at Law.

13.4 Successors and Assigns. Except as otherwise provided herein, all provisions, covenants, and terms contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns, whether so expressed or not. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign this Agreement or any of its rights or interests, or delegate any of its obligations, hereunder without the prior written consent of the Managing Member; provided that the Managing Member may assign any of its respective rights and obligations hereunder to any of its respective Affiliates, it being acknowledged and agreed that any such assignment will not relieve the Managing Member of its obligations under this Agreement.

13.5 Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions of this Agreement shall

nevertheless remain in full force and effect so long as the economic and legal substance of the transactions hereunder are not affected in a manner adverse in any material respect to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify or replace such term or provision so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law so long as the economic and legal substance of the transactions hereunder are not affected in a manner adverse in any material respect to any party.

13.6 Counterparts; Binding Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement and any amendments hereto, to the extent signed and delivered by means of digital imaging and electronic mail or .pdf or DocuSign, shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

13.7 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic Laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

13.8 Consent to Jurisdiction; WAIVER OF JURY TRIAL. Any action arising out of or relating to this Agreement (including the enforcement of any provision of this Agreement), the transactions hereunder or the legal relationship of the parties (whether at law or in equity, whether in contract or in tort or otherwise), including an action based upon fraud, shall be brought or otherwise commenced exclusively in a state or federal court located in the State of Delaware. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth in Section 13.9 shall be effective service of process for any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction in this Section 13.8. Each party: (a) expressly and irrevocably consents and submits to the exclusive jurisdiction of each state and federal court located in the State of Delaware (and each appellate court located in the State of Delaware) in connection with any such action; (b) agrees that each state and federal court located in the State of Delaware shall be deemed to be a convenient forum; (c) agrees not to assert (by way of motion, as a defense or otherwise), in any such action commenced in any state or federal court located in the State of Delaware, any claim that such party is not subject personally to the jurisdiction of such court, that such action has been brought in an inconvenient forum, that the venue of such action is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court; and (d) agrees that it will not bring any such action in any court other than a state or federal court located in the State of Delaware. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS HEREUNDER, WHETHER ARISING IN CONTRACT OR IN TORT OR OTHERWISE. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.8.

13.9 Notices; Address. All notices, requests, consents, waivers and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt, mailed by prepaid first class certified mail, return

receipt requested, electronic mail, or mailed by prepaid overnight courier, to the Company (or the Managing Member) at the following address:

(a) if to the Company (or the Managing Member):

The American Bottling Company
c/o Keurig Dr Pepper
6425 Hall of Fame Lane
Frisco, Texas 75034
Email: anthony.shoemaker@kdrp.com
Attention: Anthony Shoemaker, General Counsel

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

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Email: kspoerri@cgsh.com, msaliba@cgsh.com
Attention: Kimberly Spoerri; Michael Saliba

(b) if to the Minority Members Representative:

***]
400 North State Street
Chicago, Illinois 60654
Email: ***]

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

Winston & Strawn LLP
333 South Grand Avenue
Los Angeles, California 90071
Email: evadavis@winston.com; bmace@winston.com
Attention: Eva H. Davis; Brendan Mace

(c) if to any Member to the address set forth opposite such Member's name on Schedule A.

13.10 Creditors. None of the provisions, covenants and terms of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or any of its Affiliates, and no creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in the Company's Profits, Losses, Distributions, capital or property other than as a secured creditor (to the extent provided in the applicable agreements and instruments).

13.11 Further Action. The parties agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

13.12 Waivers. No party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty, covenant or agreement hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

13.13 Entire Agreement. This Agreement, including the Schedules and the documents referred to herein, and the Purchase Agreement, constitute the entire agreement among the parties and supersede any prior understandings, agreements or representations by or among the parties, written or oral, that may have related in any way to the subject matter hereof.

13.14 Survival. Article VI, Article IX, Section 10.1, Sections 13.1 through 13.4, Section 13.7, Section 13.8, Section 13.13, this Section 13.14 and Schedule G and shall survive and continue in full force in accordance with its terms notwithstanding any termination of this Agreement or the dissolution of the Company.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed on their behalf, this Second Amended and Restated Limited Liability Company Agreement as of the date first written above.

COMPANY:

GHOST LIFESTYLE LLC

By: /s/ Justin Whitmore

Name: Justin Whitmore

Its: Chief Strategy Officer

Signature Page to Second Amended and Restated Limited Liability Company Agreement

MEMBER:

[***]

Signature Page to Second Amended and Restated Limited Liability Company Agreement

Schedule A

Members

[**]

Schedule B

Officers

[***]

Schedule C

Mandatory Redemption Enterprise Value Calculation

[**]

Schedule D

Accounting Principles

[**]

Schedule E

Sample Company EV Statement

[***]

Schedule F

Minority Member Entities

[**]

Schedule G

Mandatory Redemption Price Calculation

[**]

Exhibit 1

Distribution Agreement

[**]



Insider Trading Policy

PURPOSE

It is illegal to buy or sell a company's securities when in possession of **material nonpublic information** about that company or its securities; this conduct is known as "insider trading." It is also illegal to disclose material nonpublic information about a company to others who then trade that company's securities based on the information they received; this conduct is known as "tipping." Keurig Dr Pepper Inc. (together with its subsidiaries, "KDP," "Company," or "we") has adopted this Insider Trading Policy (the "Policy") to promote compliance with laws governing insider trading.

SCOPE

This Policy applies to all employees of the Company (including executive officers) and to the members of the Company's Board of Directors ("directors"). This Policy also applies to others, such as contractors or consultants who have access to material nonpublic information, whom the Company has notified as being subject to the Policy (such persons, together with employees and directors, "Company Personnel"). This Policy also applies to family members, such as spouses, minor children, adult family members who share the same household ("Family Members"), and any other person or entity whose securities trading decisions are influenced or controlled by Company Personnel ("Controlled Entities," together with Company Personnel and Family Members, "Insiders").

DEFINITIONS

"Material information" is any information that a reasonable investor would consider important in deciding to buy, hold, or sell securities. Information that could be expected to affect the Company's stock price should be considered material. Some examples of information that could be regarded as material are:

- Projections of future earnings or losses or other earnings guidance, or a significant change in revenue or other financial or performance metrics,
- Quarterly or annual revenue, operating income or earnings results for the Company, a segment, or a product or region representing 5% or more of the Company's revenues,
- A change in the Company's auditor, a material disagreement with the Company's auditor or a notification that the Company's auditor's reports may no longer be relied upon,
- A material weakness in the Company's internal control over financial reporting,
- A significant cybersecurity incident, such as a data breach, or any other significant disruption in the Company's operations or loss, potential loss, breach or unauthorized access of its property or assets, whether at its facilities or through its information technology infrastructure,
- A pending or proposed merger, acquisition or tender offer,
- A pending or proposed acquisition or disposition of a significant asset,
- A change in dividend policy, the declaration of a stock split or an offering of additional securities,
- Bank borrowings or other financing transactions out of the ordinary course,
- The establishment of a repurchase program for Company securities,
- A change in senior management,
- The development of a significant new product or process,
- A development in a significant government investigation or significant litigation, or
- The existence of severe liquidity problems or an impending bankruptcy.

This list is not exhaustive and only meant to provide examples of material information. Keep in mind that anyone scrutinizing your transactions will be doing so after the fact, with the benefit of twenty-twenty hindsight. As a practical matter, before engaging in any transaction involving securities of the Company, you should carefully consider whether the U.S. Securities and Exchange Commission (the “SEC”), the U.S. Department of Justice (the “DOJ”) or other authorities might view any information you possess as material in hindsight.

POLICY STATEMENT

The SEC and the DOJ closely monitor corporations and their Insiders for possible violations of insider trading laws. Any violations are vigorously pursued. *Therefore, it is imperative that all Insiders understand the legal requirements relating to insider trading.*

The penalties for individual violations of the laws governing insider trading can be severe, including civil damages equal to the profit realized or the loss avoided, civil penalties of up to three times the profit realized or the loss avoided, criminal fines of up to \$5 million and imprisonment for up to 20 years. In addition, the Company and the persons responsible for supervising employees that engage in insider trading may incur significant civil penalties for failure to take appropriate steps to prevent such activity.

We are committed to maintaining a reputation for integrity and ethical conduct, and this Policy is intended to prevent even the appearance of improper conduct on the part of anyone employed by the Company. A violation of the law, or even an SEC or DOJ investigation that does not result in prosecution, can tarnish your reputation and damage your career and the Company.

No Insider who is aware of material nonpublic information about the Company or its securities may, directly or indirectly through family members or other persons or entities, (i) buy or sell securities of the Company or (ii) pass material nonpublic information on to (or “tip”) anyone else, including family and friends. In addition, no Insider of the Company who, in the course of performing services for the Company, learns of material nonpublic information about an entity with which the Company does business, may trade in that entity’s securities or tip that information until the information becomes public or is no longer material.

This Policy does not restrict legitimate business communications to Company Personnel who require the information in order to perform their business duties. However, material nonpublic information should not be disclosed to persons outside the Company unless an Insider is specifically authorized to disclose such information and such disclosure is made in accordance with the Company’s policies regarding the protection or authorized external disclosure of information regarding the Company (including, in some cases and if appropriate, a written confidentiality agreement). For additional information, please see the Company’s Disclosure Policy.

There are no exceptions to this prohibition. Emergencies or similar factors or circumstances do not provide a defense to violations of the laws governing insider trading. In addition, even the appearance of an improper transaction must be avoided to preserve the Company’s reputation.

Company Transactions. From time to time, the Company may engage in transactions in its own securities. It is the Company’s policy to comply with applicable securities and state laws (including appropriate approvals by the Board of Directors or appropriate committee, if required) when engaging in transactions in Company securities.

I. When Information is “Public”

If an Insider is aware of material nonpublic information, such Insider may not trade until (i) the information has

been disclosed broadly to the public, such as by press release or SEC filing, and (ii) the information has been fully absorbed by the public. For the purposes of this Policy, information should not be considered fully absorbed by the public until the opening of market on the second trading day after it is made public.

As used in this Policy, the term “trading day” means a day on which the Nasdaq Stock Market (or other widely recognized market on which the Company’s shares are traded, if the Company’s shares are no longer traded on Nasdaq) is open. In determining the number of trading days under any provision of this Policy, the day on which material information is disclosed shall not count as a trading day, unless such information is disclosed prior to the opening of trading on that day.

II. Blackout Period and Trading Window Period for Restricted Persons and Pre-Clearance Procedures

Because of their access to material nonpublic information on a regular basis, directors, executive officers, employees at the Senior Vice President level or above, officers of any key subsidiary or division of the Company, certain administrative assistants of each of the foregoing, and certain legal, financial, accounting and other employees designated by the Legal Department, as well as their Family Members and Controlled Entities (collectively, “Restricted Persons”), are subject to additional restrictions on trading in securities of the Company. Restricted Persons may trade only during the “window period.”

The Company will affirmatively notify you if you are a “Restricted Person” subject to the window period. If you have questions as to whether you are a “Restricted Person,” you should consult with the Legal Department.

A. Trading Window Period

Restricted Persons may buy or sell securities of the Company only within a certain time frame (a “window period”) each quarter. Each window period begins at the open of market on the second trading day after the Company’s release of earnings for the prior quarter and ends at the close of market on the 15th day of the third month of the calendar quarter for which earnings will next be reported. These window periods are the only time periods in which Restricted Persons may trade in Company securities.

Furthermore, if Restricted Persons are in possession of material nonpublic information during a window period, they are prohibited from trading during that window period unless and until that information has become public or is no longer material, whether or not that window period remains open for other Restricted Persons.

B. Blackout Period

Restricted Persons may not buy or sell securities of the Company during blackout periods. Blackout periods are (i) from the close of market on the 15th day of the third month of the calendar quarter for which earnings will next be reported, ending at the open of the market on the second trading day after the Company’s release of earnings for that quarter, (ii) for a given Restricted Person, any other time when that person is in possession of material nonpublic information concerning the Company or its securities, including during a window period, (iii) any time the Company imposes a trading freeze due to significant unannounced corporate developments (which can vary in length and are communicated by email), and (iv) any other legally required blackout period.

C. Pre-Clearance Approval

In addition to being allowed to trade in Company securities only during window periods, all directors and executive officers (“Section 16 Persons”) must provide a detailed description of every proposed transaction, including gifts, to the Legal Department at least 24 hours in advance of any proposed transaction in Company securities by the Section 16 Person and his or her Family Members and Controlled

Entities to obtain pre-clearance approval. The Legal Department will generally respond to pre-clearance requests by the end of the following business day. After obtaining clearance, the transaction must be completed within four business days or further pre-clearance approval will be required. The transaction may not be executed if the Section 16 Person becomes aware of material nonpublic information before the transaction is executed or if a blackout period is in effect. Please note that, at times, the Company may need to rescind a prior pre-clearance with respect to a pending transaction as circumstances change. Impacted persons will receive prompt notification of any such rescission. If a request for pre-clearance is denied, the fact of such denial must be kept confidential.

III. Stock Option Exercises and Restricted Stock Unit Awards

This Policy does not apply to the exercise of Company stock options where no Company stock is sold in the market to fund the option exercise price or related taxes (i.e., a net exercise or where cash is paid to exercise the option). This Policy also does not apply to the exercise of tax withholding rights or obligations pursuant to which the Company withholds shares upon the vesting of a restricted stock unit award or shares subject to any option to satisfy tax withholding requirements.

This Policy does apply to any sale of stock acquired through a restricted stock unit award or an option exercise, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option (including through a broker-assisted cashless exercise) or to satisfy tax withholding requirements.

IV. Gifts of KDP Securities

Gifts of KDP securities are not transactions subject to this Policy, unless you have reason to believe that the recipient intends to sell those securities while you are (i) aware of material nonpublic information, or (ii) subject to a blackout period under this Policy, in which case the gift should be made during an open trading window. Pre-clearance is required for gifts by a director or executive officer, whether or not such gift is subject to this Policy. Gifts of securities may include gifts to trusts for estate planning purposes, as well as donations to a charitable organization.

V. Post-Termination Transactions

This Policy continues to apply to transactions in securities of the Company even after employment or association with the Company has terminated. If an Insider is in possession of material nonpublic information when employment or association terminates, such Insider may not trade in Company securities until that information has become public or is no longer material. Although the pre-clearance procedures specified in this Policy will cease to apply upon termination of service, individuals subject to a quarterly blackout period at the time of termination of service may not trade in Company securities until after the end of the blackout period. If you are a Section 16 Person, there may be additional restrictions on post-termination transactions, as described under the section of this Policy entitled "Section 16 Reporting and Liability for Directors and Executive Officers."

VI. Exception for Approved 10b5-1 Plans

Trades in securities of the Company that are executed pursuant to an approved Rule 10b5-1 plan ("Plan") are not subject to the prohibition on trading on the basis of material nonpublic information contained in this Policy or the restrictions described above relating to the pre-clearance approval process or blackout periods if the Plan is adopted in accordance with terms of this Policy and Rule 10b5-1 requirements, as described below.

Rule 10b5-1 provides an affirmative defense to liability under the laws governing insider trading for trading plans that meet certain requirements. A Plan may not be entered into or modified at a time when you are aware of any material nonpublic information, and there is a required "cooling-off" period between the date the Plan is adopted or modified and the date that trading may begin under the Plan. Once a Plan is adopted, you may not exercise any influence over the number of securities to be traded, the price at which they are traded or the date of any trade. The Plan must specify (including by formula) the amount, pricing and timing of the transactions in advance.

You are generally prohibited from having more than one Plan at a time, except that you may maintain two separate Plans if trading under the later-commencing Plan is not authorized to begin until after all trades under the earlier-commencing Plan are completed or expire without execution. In addition, in any 12-month period, you may only have one “single-trade” Plan, which is a Plan designed to effect the open market purchase or sale of the total amount of securities subject to the Plan as a single transaction. KDP is required to report the adoption, modification or termination of a Plan by any Section 16 Person, as well as a description of the applicable Plan, in its periodic reports on Form 10-K and Form 10-Q.

The Company requires that all Plans adopted by Restricted Persons comply with KDP’s Guidelines for Use of Rule 10b5-1 Trading Plans and be approved in writing in advance by the Legal Department. Plans may not be adopted or modified during blackout periods or while you are in possession of material nonpublic information.

VII. Other Trading Policies and Restrictions

- The purchase of Company securities must be for the purpose of investment, not short-term speculation.
- Insiders are prohibited from short-selling Company securities.
- Insiders may not engage (directly or indirectly) in hedging transactions, or otherwise engage in transactions that are designed to hedge or offset any decrease in the market value of Company securities. Prohibited transactions include, but are not limited to, puts, calls, collar transactions, equity swaps, exchange funds and prepaid variable forward sale contracts.
- Insiders must obtain pre-clearance approval from the Legal Department to pledge Company securities. Insiders are prohibited from pledging Company securities for speculative purposes.

VIII. Section 16 Reporting and Liability for Directors and Executive Officers

A. Section 16(a) Reporting Requirements

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Section 16 Persons to file reports with the SEC as to their holdings and transactions in equity securities of the Company. Any violation of these requirements is required to be disclosed in the Company’s proxy statement. Generally, transactions must be reported on a Form 4 filed within two business days. Although the responsibility for filing these reports rests with the individual Section 16 Person, the Legal Department will prepare these forms for you, provided it receives detailed notification (including the date of the transaction, the number of shares involved, and the price) immediately upon the occurrence of any reportable transaction. **This requirement to notify the Legal Department is in addition to your obligation to pre-clear all transactions with the Legal Department.**

B. Liability for Short-Swing Profits under Section 16(b)

Section 16 Persons are also subject to trading restrictions under Section 16(b), which requires that any profits that can be calculated from non-exempt sales and purchases of equity securities of the Company within six months of each other be forfeited to the Company. Open market purchases and sales, including the sale of shares acquired upon exercise of Company stock options or upon the vesting of restricted stock unit awards, are examples of non-exempt transactions. This rule applies even if there is no actual profit as long as there are a non-exempt sale and a non-exempt purchase, even after the sale, at a lower price.

Certain, but not all, transactions under the Company’s compensation plans are exempt for Section 16(b) purposes. Because of the complicated and serious nature of these provisions, Section 16 Persons are required to request pre-clearance with the Legal Department prior to conducting any transaction in equity securities of the Company, as discussed earlier in this Policy.

IX. Form 144 Filing Requirements

Rule 144 ("Rule 144") promulgated under the Securities Act of 1933, as amended, applies to sales or dispositions of securities of the Company by Section 16 Persons. In the case of sales made in the market, brokers are generally familiar with Rule 144 requirements and will work with the Section 16 Person to file an appropriate Form 144. However, compliance with Rule 144 is the responsibility of the individual director or officer, so you should check with your broker to make sure the Rule 144 requirements are being satisfied. In contrast to Section 16(b) reports, the Legal Department does not handle Form 144 filings and compliance on behalf of Section 16 Persons.

Rule 144 also applies in the case of a private sale of equity securities of the Company to another person, so if you are a Section 16 Person, you should review these transactions with your attorney to ensure Rule 144 compliance.

In addition, other employees who may be eligible for Rule 144 and choose to sell or dispose of securities of the Company pursuant to Rule 144 will need to comply with requirements of Rule 144, including filing of notice of sale on Form 144.

If you have any questions about this Policy or its application to any proposed transaction, you may obtain additional guidance from the Legal Department. Ultimately, however, the responsibility for adhering to this Policy and avoiding unlawful transactions rests with the individual Company Personnel.

This Policy may be modified or terminated in KDP's sole discretion.

NON-COMPLIANCE

Any non-compliance of this Policy may result in disciplinary action, up to and including termination of employment for cause, whether or not the failure to comply results in a violation of the law. KDP reserves the right to notify the appropriate law enforcement authorities of any unlawful activity and to cooperate in any investigation of such activity. KDP does not consider conduct in violation of this policy to be within an individual's scope of employment or obligations, or the direct consequence of the discharge of an individual's duties. Accordingly, to the extent permitted by law, KDP reserves the right not to defend or pay any damages awarded against any individual that result from a violation of this policy.

Any individual requested to undertake an activity which that individual reasonably believes is in violation of this policy must provide a written or verbal complaint to the individual's manager, the Human Resources Department or as provided in the Code of Conduct.

Subsidiaries of Keurig Dr Pepper Inc.

As of December 31, 2024

Name of Subsidiary		Jurisdiction of Formation
1	234DP Aviation, LLC	Delaware
2	A&W Concentrate Company	Delaware
3	All Sport, LLC	Delaware
4	All Sport Distributing, Inc.	Delaware
5	Altitude Beverages LLC	Delaware
6	Bai Brands LLC	New Jersey
7	Beverages Delaware Inc.	Delaware
8	Big Red, LLC	Texas
9	BR HyDrive LLC	Texas
10	Core Nutrition, LLC	Delaware
11	DP Beverages Inc.	Delaware
12	DPS Americas Beverages, LLC	Delaware
13	DPS Beverages, Inc.	Delaware
14	DPS Holdings Inc.	Delaware
15	Dr Pepper/Seven Up Beverage Sales Company	Texas
16	Dr Pepper/Seven Up Manufacturing Company	Delaware
17	Dr Pepper/Seven Up, Inc.	Delaware
18	G Pure, Inc.	Texas
19	Ghost Lifestyle LLC	Delaware
20	Hydration Ventures LLC	Delaware
21	KDP Procurement Services, Inc.	Texas
22	Keurig Corporation Inc.	Delaware
23	Keurig Green Mountain, Inc.	Delaware
24	Keurig Manufacturing Inc.	Delaware
25	KGM Manufacturing LLC	Delaware
26	Maple Parent Holdings Corp.	Delaware
27	Mott's Delaware LLC	Delaware
28	Mott's LLP	Delaware
29	Nantucket Allserve, LLC	Delaware
30	North American Beverages, LLC	Texas
31	Revive Brands	California
32	Snapple Beverage Corp.	Delaware
33	Splash Transport, Inc.	Delaware
34	The American Bottling Company	Delaware
35	Thomas Kemper Acquisition Co. Inc.	Texas
36	Xyience Beverage Company, LLC	Texas
37	Xyience Contracts Company, LLC	Texas
38	Xyience Supplements Company, LLC	Texas
39	Canada Dry Mott's Inc.	Canada
40	Keurig Canada Inc.	Canada
41	Van Houtte Coffee Services Inc.	Canada
42	Alder Basswood Clover LP	Ireland
43	Alder Clover Limited	Ireland
44	Basswood Clover Limited	Ireland
45	KDP Global Sourcing Limited	Ireland
46	Keurig International Sàrl	Luxembourg

Subsidiaries of Keurig Dr Pepper Inc.

As of December 31, 2024

47	Bebidas Americas Investments B.V.	Netherlands
48	Keurig Switzerland GmbH	Switzerland
49	Keurig Trading GmbH	Switzerland
50	Big Red Mexico S de RL de CV	Mexico
51	Comercializadora de Bebidas, SA de CV	Mexico
52	Peñafiel Aguas Minerales SA de CV	Mexico
53	Peñafiel Bebidas SA de CV	Mexico
54	Manantiales Peñafiel, S.A. de C.V.	Mexico
55	Servicios Logísticos Peñafiel, S.A. de C.V.	Mexico
56	Snapple Beverage de Mexico, S.A. de C.V.	Mexico
57	KDP Brasil Global Sourcing LTDA	Brazil
58	Green Mountain Electrical Appliances Technical Consulting (Shenzhen) Company Limited	China
59	Green Mountain Hong Kong Limited	Hong Kong
60	Keurig Malaysia Sdn. Bhd.	Malaysia
61	Keurig Singapore Pte. Ltd.	Singapore

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-266989 on Form S-3 and Registration Statement No. 333-233481 on Form S-8 of our reports dated February 25, 2025, relating to the financial statements of Keurig Dr Pepper Inc. and the effectiveness of Keurig Dr Pepper Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ DELOITTE & TOUCHE LLP

Dallas, Texas
February 25, 2025

**Principal Executive Officer's Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Timothy Cofer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Keurig Dr Pepper Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/ Timothy Cofer

Timothy Cofer

Chief Executive Officer and President of Keurig Dr Pepper Inc.

**Principal Financial Officer's Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Sudhanshu Priyadarshi, certify that:

1. I have reviewed this Annual Report on Form 10-K of Keurig Dr Pepper Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/ Sudhanshu Priyadarshi

Sudhanshu Priyadarshi

Chief Financial Officer of Keurig Dr Pepper Inc.

**Certification Pursuant To 18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Timothy Cofer, Chief Executive Officer and President of Keurig Dr Pepper Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2025

/s/ Timothy Cofer

Timothy Cofer

Chief Executive Officer and President of Keurig Dr Pepper Inc.

**Certification Pursuant To 18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Sudhanshu Priyadarshi, Chief Financial Officer of Keurig Dr Pepper Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2025

/s/ Sudhanshu Priyadarshi

Sudhanshu Priyadarshi
Chief Financial Officer of Keurig Dr Pepper Inc.