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

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of Earliest Event Reported): December 28, 2021 (December 23, 2021)

DMC Global Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**0-8328**	**84-0608431**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

11800 Ridge Parkway, Suite 300, Broomfield, Colorado 80021
(Address of Principal Executive Offices, Including Zip Code)

(303) 665-5700
(Registrant's Telephone Number, Including Area Code)

Title of each class	**Trading Symbol**	**Name of exchange on which registered**
Common Stock, $0.05 Par Value	BOOM	The Nasdaq Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth in Item 2.01 and Item 2.03 below is incorporated by reference herein.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On December 23, 2021, DMC Global Inc., a Delaware corporation (the "Company"), completed its previously-disclosed acquisition (the "Acquisition") of 60% of Arcadia Products, LLC, a Colorado limited liability company resulting from the conversion of Arcadia, Inc., a California corporation, following a tax reorganization ("Arcadia"). The Acquisition was completed pursuant to an equity purchase agreement (the "Equity Purchase Agreement") by and among the Company, Arcadia, the shareholders of Arcadia, Inc. and certain other parties (the "Equity Purchase Agreement") entered into on December 16, 2021. At the closing of the Acquisition, the Company paid closing consideration of $284 million in cash (excluding $6 million in acquired cash) and 551,458 shares of its common stock, par value $0.05 per share. A portion of the cash consideration was placed into escrow and is subject to certain post-closing adjustments. As contemplated by the Equity Purchase Agreement, at the closing of the Acquisition, the Company entered into an Operating Agreement for Arcadia, an Employment Agreement and a Restricted Covenant Agreement with James Schladen, President of Arcadia, and a Promissory Note in respect of a loan made by DMC in connection with the Acquisition, all on terms described in the Company's Current Report on Form 8-K filed on December 21, 2021.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On December 23, 2021, the Company entered into an Amended and Restated Credit and Security Agreement with a syndicate of four banks, led by KeyBank National Association, amending and restating its prior credit agreement dated March 8, 2018. The new credit facility has a 5-year maturity expiring on December 23, 2026 and provides for a maximum commitment amount of $200 million, which includes a $50 million revolving credit facility and a $150 million fully funded term loan facility. The proceeds of the $150 million term loan were used to partially fund the acquisition. The amended credit agreement has a $100 million accordion feature to increase the commitments under the revolving loan and/or by adding one or more term loans subject to approval by applicable lenders.

The credit facility is secured by the assets of DMC including accounts receivable, inventory, and fixed assets, as well as guarantees and share pledges by DMC and its subsidiaries, including newly-acquired Arcadia and its subsidiary. Other significant changes in terms include: (i) a maximum leverage ratio of 3.50:1.00 through the quarter ended March 31, 2022, 3.25:1.00 from the quarter ended June 30, 2022 through the quarter ended March 31, 2023, and (c) 3.00:1.00 from the quarter ended June 30, 2023 and thereafter; (ii) replacement of all provisions and related definitions regarding LIBOR with a Secured Overnight Financing Rate based benchmark rate; (iii) changes to certain of our covenants relating to the Acquisition; and (iv) the elimination of the ability to borrow in alternate currencies.

The credit facility includes various covenants and restrictions, certain of which relate to the payment of dividends or other distributions to stockholders; redemption of capital stock; incurrence of additional indebtedness; mortgaging, pledging or disposition of major assets; and maintenance of specified ratios.

The above description of the amended credit agreement is qualified in its entirety by reference to the Amended and Restated Credit and Security Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure

On December 23, 2021, the Company issued a press release announcing the closing of the Acquisition, the text of which is furnished with this Current Report on Form 8-K as Exhibit 99.1. The information furnished under this Item 7.01, including the press release, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by reference to such filing.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

Financial statements, to the extent required by this Item 9.01, will be filed by amendment to this Current Report on Form 8-K no later than 71 days after the date that this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

Pro forma financial information, to the extent required by this Item 9.01, will be filed by amendment to this Current Report on Form 8-K no later than 71 days after the date that this Current Report on Form 8-K is required to be filed.

Exhibit No.	Description
10.1	Amended and Restated Credit and Security Agreement, dated December 23, 2021, DMC Global Inc., certain of its domestic subsidiaries as borrowers, the lenders party thereto and KeyBank National Association, as administrative agent, a swing line lender and an issuing lender. *
10.2	Amended and Restated Limited Liability Company Agreement of Arcadia Products, LLC, dated December 23, 2021, by and among Arcadia Products, LLC, DMC Global Inc., DMC Korea, Inc., and New Arcadia Holdings, Inc.*
10.3	Executive Employment Agreement, dated December 23, 2021, by and among James Schladen, DMC Global Inc. and Arcadia Products, LLC.
10.4	Restrictive Covenant Agreement, dated December 23, 2021, by and among James Schladen and Victoria Schladen, individually and as trustees of the Schladen Family Trust, Arcadia Products, LLC and DMC Global Inc.
10.5	Promissory Note, dated December 23, 2021, issued by Synergex Group LLC, trustee of the Munera Family ESBT to DMC Global Inc.
10.6	Management Services Agreement, dated December 23, 2021, between Arcadia Products, LLC and DMC Global Inc.
10.7	Consulting Services Agreement, dated December 23, 2021, between Synergex Group LLC, trustee of the Munera Family ESBT to DMC Global Inc.
99.1	Press Release dated December 23, 2021**
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Certain schedules or similar attachments to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The registrant hereby agrees to furnish supplementally to the Securities and Exchange Commission upon request a copy of any omitted schedule or attachment to this exhibit.

** Furnished but not filed.

SIGNATURES

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

DMC GLOBAL INC.

Dated: December 28, 2021

By: /s/ Michael Kuta
Michael Kuta
Chief Financial Officer

Published Transaction CUSIP Number: 23345TAA0
Published Revolver CUSIP Number: 23345TAC6
Published Term Loan CUSIP Number: 23345TAB8

AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT

among

DMC GLOBAL INC.

THE DOMESTIC SUBSIDIARY BORROWERS NAMED HEREIN
as Borrowers

THE LENDERS NAMED HEREIN
as Lenders

and

KEYBANK NATIONAL ASSOCIATION
as Administrative Agent, a Swing Line Lender and an Issuing Lender

KEYBANC CAPITAL MARKETS INC.
as Joint Lead Arranger and Sole Book Runner

U.S. BANK NATIONAL ASSOCIATION
as Joint Lead Arranger and Syndication Agent

BOKF, NA DBA BOK FINANCIAL
as Documentation Agent

dated as of
December 23, 2021

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This AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made effective as of the 23rd day of December, 2021 among:

(a) DMC GLOBAL INC., a Delaware corporation ("DMC Global");

(b) each Domestic Subsidiary Borrower, as hereinafter defined (each such Domestic Subsidiary Borrower, together with DMC Global, collectively, the "Borrowers" and, individually, each a "Borrower");

(c) the lenders listed on Schedule 1 hereto and each other Eligible Assignee, as hereinafter defined, that from time to time becomes a party hereto pursuant to Section 2.10(b) or 11.9 hereof (collectively, the "Lenders" and, individually, each a "Lender"); and

(d) KEYBANK NATIONAL ASSOCIATION, a national banking association, as the administrative agent for the Lenders under this Agreement (the "Administrative Agent"), a Swing Line Lender and an Issuing Lender.

WITNESSETH:

WHEREAS, the Borrowers, the Administrative Agent and the lenders named therein entered into that certain Credit and Security Agreement, dated as of March 8, 2018 (as amended, the "Original Credit Agreement");

WHEREAS, this Agreement amends and restates in its entirety the Original Credit Agreement and, upon the effectiveness of this Agreement, the terms and provisions of the Original Credit Agreement shall be superseded hereby. All references to "Credit Agreement" contained in the Loan Documents, as defined in the Original Credit Agreement, delivered in connection with the Original Credit Agreement shall be deemed to refer to this Agreement. Notwithstanding the amendment and restatement of the Original Credit Agreement by this Agreement, the obligations outstanding (including, but not limited to, the letters of credit issued and outstanding) under the Original Credit Agreement as of March 8, 2018 shall remain outstanding and constitute continuing Obligations hereunder. Such outstanding Obligations and the guaranties of payment thereof shall in all respects be continuing, and this Agreement shall not be deemed to evidence or result in a novation or repayment and re-borrowing of such Obligations. In furtherance of and, without limiting the foregoing, from and after the date hereof and except as expressly specified herein, the terms, conditions, and covenants governing the obligations outstanding under the Original Credit Agreement shall be as set forth in this Agreement, which shall supersede the Original Credit Agreement in its entirety;

WHEREAS, it is the intent of the Borrowers, the Administrative Agent and the Lenders that the provisions of this Agreement be effective commencing on the Closing Date; and

WHEREAS, the Borrowers, the Administrative Agent and the Lenders desire to contract for the establishment of credits in the aggregate principal amounts hereinafter set forth, to be made available to the Borrowers upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Abstract Acknowledgement of Debt" means the acknowledgement of the Parallel Debt as set forth inSchedule 9 hereto.

"Account" means an account, as that term is defined in the U.C.C.

"Account Debtor" means an account debtor, as that term is defined in the U.C.C., or any other Person obligated to pay all or any part of an Account in any manner and includes (without limitation) any Guarantor thereof.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of any Person (other than a Company), or of all or substantially all of any business or division of any Person (other than a Company), (b) the acquisition of in excess of fifty percent (50%) of the outstanding capital stock (or other equity interest) of any Person (other than a Company), or (c) the acquisition of another Person (other than a Company) by a merger, amalgamation or consolidation or any other combination with such Person.

"Additional Borrower Assumption Agreement" means each of the Additional Borrower Assumption Agreements executed by a Company, substantially in the form of the attached Exhibit G, as the same may from time to time be amended, restated or otherwise modified.

"Additional Commitment" means that term as defined in Section 2.10(b)(i) hereof.

"Additional Issuing Lender" means a Lender (or an affiliate of a Lender) that shall have (a) agreed with the Administrative Agent to issue a Letter of Credit hereunder in its own name, but in each instance on behalf of the Revolving Lenders hereunder, and (b) executed with the Administrative Agent an Additional Issuing Lender Agreement; provided that, if such Person is an Affiliate of a Lender, both such Lender and the Affiliate of such Lender shall execute the Additional Issuing Lender Agreement.

"Additional Issuing Lender Agreement" means an Additional Issuing Lender Agreement, prepared by the Administrative Agent and in form and substance acceptable to the Administrative Agent in its reasonable discretion, among the Borrowers, the Administrative Agent and a Lender with respect to the issuance by such Lender of Letters of Credit hereunder, whereby such Lender (or an Affiliate of such Lender) agrees to become an Additional Issuing Lender.

"Additional Lender" means an Eligible Assignee that shall become a Lender during the Commitment Increase Period pursuant to Section 2.10(b) hereof.

"Additional Lender Assumption Agreement" means an additional lender assumption agreement, in form and substance satisfactory to the Administrative Agent in its reasonable discretion, wherein an Additional Lender shall become a Lender.

"Additional Lender Assumption Effective Date" means that term as defined in Section 2.10(b)(ii) hereof.

"Additional Term Loan Facility" means that term as defined in Section 2.10(b)(i) hereof.

"Additional Term Loan Facility Amendment" means that term as defined in Section 2.10(c)(ii) hereof.

"Adjusted Daily Simple SOFR" or "Adjusted Daily Simple SOFR Rate" means, for any day, an interest rate per annum, reset on each SOFR Business Day (rounded upwards to the next higher multiple 1/16th of 1% if such rate is not such a multiple, unless a Hedge Agreement with a Lender as the counterparty is in effect with respect to the Loans), equal to the greater of (a) (i) SOFR for the day that is five (5) SOFR Business Days prior to such day, published by the SOFR Administrator on the SOFR Administrator's Website on the immediately succeeding SOFR Business Day, plus (ii) ten (10.0) basis points, and (b) the Floor. If by 5:00 pm (New York City time) on the second (2nd) SOFR Business Day immediately following any day on which SOFR is to be reset, SOFR for such day has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to Adjusted Daily Simple SOFR has not occurred, then SOFR for such day will be SOFR as published in respect of the first preceding SOFR Business Day for which such SOFR was published on the SOFR Administrator's Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Adjusted Daily Simple SOFR for no more than ten (10) consecutive SOFR Business Days. Any change in Adjusted Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to any Borrower.

"Adjusted Term SOFR Rate" means for any Available Tenor and Interest Period with respect to a Term SOFR Loan, the greater of (a) the Floor and (b) (i) the forward-looking term rate for a period comparable to such Available Tenor based on SOFR that is published by CME Group Benchmark Administration Ltd ("CBA") ("Term SOFR") and displayed on CME's Market Data Platform (or other commercially available source providing such quotations as may be selected by the Administrative Agent from time to time), at approximately 6:00 a.m. New York City time, two (2) Business Days (the "Lookback Day") prior to the commencement of such Interest Period (and rounded to the nearest 1/16th of 1%), plus (ii) ten (10.0) basis points; provided that if by 5:00 pm (Eastern time) on any Lookback Day, any tenor of Term SOFR for such day has not been published, then such tenor of Term SOFR for such day will be such tenor of Term SOFR as published in respect of the first preceding SOFR Business Day for which such rate was published so long as such first preceding SOFR Business Day is not more than three SOFR Business Days prior to such Lookback Day.

"Administrative Agent Fee Letter" means the Administrative Agent Fee Letter between Administrative Borrower and the Administrative Agent, dated as of the Closing Date, as the same may from time to time be amended, restated or otherwise modified.

"Administrative Borrower" means DMC Global.

"Advantage" means any payment (whether made voluntarily or involuntarily, by offset of any deposit or other indebtedness or otherwise) received by any Lender (a) prior to an Equalization Event, in respect of the Applicable Debt, if such payment results in that Lender having less than its pro rata share (based upon its Applicable

Commitment Percentage) of the Applicable Debt then outstanding, and (b) on and after an Equalization Event, in respect of the Obligations, if such payment results in that Lender having less than its pro rata share (based upon its Equalization Percentage) of the Obligations then outstanding.

"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" means the Administrative Agent.

"Agent Parties" means that term as defined in Section 10.17(b) hereof.

"Agreement" means that term as defined in the first paragraph of this agreement.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Companies from time to time concerning or relating to bribery or corruption (including, without limitation, the Foreign Corrupt Practices Act of 1977 (FCPA) (15 U.S.C. § 78dd-1, et seq.), as amended, and the rules and regulations thereunder).

"Applicable Commitment Fee Rate" means:

(a) for the period from the Closing Date through March 31, 2022, twenty-five (25.00) basis points; and

(b) commencing with the Consolidated financial statements of DMC Global for the fiscal year ending December 31, 2021, the number of basis points set forth in the following matrix, based upon the result of the computation of the Leverage Ratio as set forth in the Compliance Certificate for such fiscal period and, thereafter, as set forth in each successive Compliance Certificate, as provided below:

Leverage Ratio	Applicable Commitment Fee Rate
Greater than or equal to 3.00 to 1.00	30.00 basis points
Greater than or equal to 2.50 to 1.00 but less than 3.00 to 1.00	25.00 basis points
Greater than or equal to 2.00 to 1.00 but less than 2.50 to 1.00	25.00 basis points
Greater than or equal to 1.50 to 1.00 but less than 2.00 to 1.00	20.00 basis points
Greater than or equal to 1.00 to 1.00 but less than 1.50 to 1.00	20.00 basis points
Less than 1.00 to 1.00	15.00 basis points

The first date on which the Applicable Commitment Fee Rate is subject to change is April 1, 2022. After April 1, 2022, changes to the Applicable Commitment Fee Rate shall be effective on the first day of the calendar month following each date upon which the Administrative Agent should have received, pursuant to Section 5.3(c) hereof, the Compliance Certificate. The above pricing matrix does not modify or waive, in any respect, the requirements of Section 5.7 hereof, the rights of the Administrative Agent and the Lenders to charge the Default Rate, or the rights and remedies of the Administrative Agent and the Lenders pursuant to Articles VIII and IX hereof. Notwithstanding anything herein to the contrary, (i) during any period when the Borrowers shall have failed to timely deliver the Consolidated financial statements pursuant to Section 5.3(a) or (b) hereof, or the Compliance Certificate pursuant to Section 5.3(c) hereof, until such time as the appropriate Consolidated financial statements and Compliance Certificate are delivered, the Applicable Commitment Fee Rate shall, at the election of the Administrative Agent (which may be retroactively effective), be the highest rate per annum indicated in the above pricing grid regardless of the Leverage Ratio at such time, and (ii) in the event that any financial information or certification provided to the Administrative Agent in the Compliance Certificate is shown to be inaccurate (regardless of whether this Agreement or the Commitment is in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Commitment Fee Rate for any period (an "Applicable Commitment Fee Period") than the Applicable Commitment Fee Rate applied for such Applicable Commitment Fee Period, then (A) the Borrowers shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Commitment Fee Period, (B) the Applicable Commitment Fee Rate shall be determined based on such corrected Compliance Certificate, and (C) the Borrowers shall promptly pay to the Administrative Agent, for the benefit of the Lenders, the accrued additional fees owing as a result of such increased Applicable Commitment Fee Rate for such Applicable Commitment Fee Period.

"Applicable Commitment Percentage" means, for each Lender:

(a) with respect to the Revolving Credit Commitment, the percentage, if any, set forth opposite such Lender's name under the column headed "Revolving Credit Commitment Percentage", as set forth on Schedule 1 hereto, subject to assignments of interests pursuant to Section 11.9 hereof; and

(b) with respect to the Term Loan Commitment, the percentage, if any, set forth opposite such Lender's name under the column headed "Term Loan Commitment Percentage", as set forth on Schedule 1 hereto, subject to assignments of interests pursuant to Section 11.9 hereof.

"Applicable Debt" means:

(a) with respect to the Revolving Credit Commitment, collectively, (i) all Indebtedness incurred by the Borrowers to the Revolving Lenders pursuant to this Agreement and the other Loan Documents, and includes, without limitation, the principal of and interest on all Revolving Loans and all Swing Loans and all obligations with respect to Letters of Credit, (ii) each extension, renewal or refinancing of the foregoing, in whole or in part, (iii) the commitment, prepayment and other fees and amounts payable hereunder in connection with the Revolving Credit Commitment, and (iv) all Related Expenses incurred in connection with the foregoing; and

(b) with respect to the Term Loan Commitment, collectively, (i) all Indebtedness incurred by the Borrowers to the Term Lenders pursuant to this Agreement and the other Loan Documents, and includes, without limitation, the principal of and interest on the Term Loan, (ii) each extension, renewal or refinancing of the foregoing in whole or in part, (iii) all prepayment and other fees and amounts payable hereunder in connection with the Term Loan Commitment, and (iv) all Related Expenses incurred in connection with the foregoing.

"Applicable Margin" means:

(a) for the period from the Closing Date through March 31, 2022, two hundred fifty (250.00) basis points for SOFR Loans and one hundred fifty (150.00) basis points for Base Rate Loans; and

(b) commencing with the Consolidated financial statements of DMC Global for the fiscal year ending December 31, 2021, the number of basis points (depending upon whether Loans are SOFR Rate Loans or Base Rate Loans) set forth in the following matrix, based upon the result of the computation of the Leverage Ratio as set forth in the Compliance Certificate for such fiscal period and, thereafter, as set forth in each successive Compliance Certificate, as provided below:

Leverage Ratio	Applicable Basis Points for SOFR Loans	Applicable Basis Points for Base Rate Loans
Greater than or equal to 3.00 to 1.00	300.00	200.00
Greater than or equal to 2.50 to 1.00 but less than 3.00 to 1.00	250.00	150.00
Greater than or equal to 2.00 to 1.00 but less than 2.50 to 1.00	225.00	125.00
Greater than or equal to 1.50 to 1.00 but less than 2.00 to 1.00	200.00	100.00
Greater than or equal to 1.00 to 1.00 but less than 1.50 to 1.00	175.00	75.00
Less than 1.00 to 1.00	150.00	50.00

The first date on which the Applicable Margin is subject to change is April 1, 2022. After April 1, 2022, changes to the Applicable Margin shall be effective on the first day of the calendar month following each date upon which the Administrative Agent should have received, pursuant to Section 5.3(c) hereof, the Compliance Certificate. The above pricing matrix does not modify or waive, in any respect, the requirements of Section 5.7 hereof, the rights of the Administrative Agent and the Lenders to charge the Default Rate, or the rights and remedies of the Administrative Agent and the Lenders pursuant to Articles VIII and IX hereof. Notwithstanding anything herein to the contrary, (i) during any period when the Borrowers shall have failed to timely deliver the Consolidated financial statements pursuant to Section 5.3(a) or (b) hereof, or the Compliance Certificate pursuant to Section 5.3(c) hereof, until such time as the appropriate Consolidated financial statements and Compliance Certificate are delivered, the Applicable Margin shall, at the election of the Administrative Agent (which may be retroactively effective), be the highest rate per annum indicated in the above pricing grid for Loans of that type, regardless of the Leverage Ratio at such time, and (ii) in the event that any financial information or certification provided to the Administrative Agent in the Compliance Certificate is shown to be inaccurate (regardless of whether this Agreement or the Commitment is in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Margin Period") than the Applicable Margin applied for such Applicable Margin Period, then (A) the Borrowers shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Margin Period, (B) the Applicable Margin shall be determined based on such corrected Compliance Certificate, and (C) the Borrowers shall promptly pay to the Administrative Agent, for the benefit of the Lenders, the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Margin Period.

"Approved Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities 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.

"Arcadia" means Arcadia Products, LLC, a Colorado limited liability company, f/k/a Arcadia, Inc., a California corporation.

"Arcadia Acquisition" means the acquisition by DMC Global of sixty percent (60%) of the equity interests of Arcadia pursuant to the Arcadia Acquisition Documents.

"Arcadia Acquisition Documents" means the Arcadia Purchase Agreement and each other document executed and delivered in connection therewith, including without limitation the Arcadia Operating Agreement.

"Arcadia Minority Holders" means any Arcadia Seller and any successor, assignee or transferee of any Arcadia Seller that holds any portion of the Arcadia Minority Ownership Percentage.

"Arcadia Minority Ownership Percentage" means the Percentage Interest (as defined in the Arcadia Operating Agreement) held by any Person other than DMC Global and its Affiliates from time to time.

"Arcadia Operating Agreement" means the Amended and Restated Limited Liability Company Agreement of Arcadia, dated as of the date hereof, among DMC Global, Synergex Group LLC, as Trustee of the Munera Family ESBT, and Gerard E. Munera, as modified from time to time in accordance with the terms of the Loan Documents.

"Arcadia Purchase Agreement" means that certain Equity Purchase Agreement, dated as of December 16, 2021, by and among DMC Global, Arcadia, Arcadia Holdings, Inc. and Arcadia Sellers.

"Arcadia Sellers" means (i) Synergex Group LLC, as Trustee of the Munera Family ESBT, (ii) James Henry Schladen and Victoria Ann Schladen, as Trustees of the Schladen Family Trust dated December 7, 2006, (iii) Robert Sayour, (iv) Micheline Sayour, as Trustee of the LKS Family Trust, and (v) Micheline Sayour, as Trustee of the Micheline Sayour Revocable Trust.

"Assignment Agreement" means an Assignment and Assumption Agreement entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.9 hereof), and accepted by the Administrative Agent, in substantially the form of Exhibit H, or any other form approved by the Administrative Agent.

"Authorized Officer" means a Financial Officer or other individual authorized by a Financial Officer in writing (with a copy to the Administrative Agent) to handle certain administrative matters in connection with this Agreement.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement, or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, including any overnight or daily tenor, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 3.8(d).

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

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

"Bank Product Agreements" means those certain cash management services and other agreements entered into from time to time between a Company and the Administrative Agent or a Lender (or an Affiliate of a Lender) in connection with any of the Bank Products.

"Bank Product Obligations" means all obligations, liabilities, contingent reimbursement obligations, fees and expenses owing by a Company to the Administrative Agent or any Lender (or an Affiliate of a Lender) pursuant to or evidenced by the Bank Product Agreements.

"Bank Products" means a service or facility extended to a Company by the Administrative Agent or any Lender (or an Affiliate of a Lender) for (a) credit cards and credit card processing services, (b) debit cards, purchase cards and stored value cards, (c) ACH transactions, and (d) cash management, including controlled disbursement, accounts or services.

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

"Base Rate" means, for any day, a rate per annum equal to the highest of (a) the Prime Rate, (b) one-half of one percent (.50%) in excess of the Federal Funds Effective Rate, and (c) one percent (1%) in excess of the Adjusted Term SOFR Rate for a period of one month (or, if such day is not a Business Day, such rate as calculated on the most recent Business Day). Any change in the Base Rate shall be effective immediately from and after such change in the Base Rate. Notwithstanding the foregoing, if at any time the Base Rate as determined above is less than the Floor, it shall be deemed to be the Floor for purposes of this Agreement.

"Base Rate Loan" means a Revolving Loan made to the Borrowers described in Section 2.2(a) hereof, or a portion of a Term Loan described in Section 2.3, in each case that shall be denominated in Dollars and on which the Borrowers shall pay interest at the Derived Base Rate.

"Benchmark" means, initially, the Adjusted Term SOFR Rate and the Adjusted Daily Simple SOFR Rate; provided that if a Benchmark Transition Event has occurred with respect to the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 3.8 hereof.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event for the then-current Benchmark, (a) Adjusted Daily Simple SOFR Rate, together with any applicable Benchmark Replacement Adjustment, determined in accordance with any Benchmark Replacement Conforming Changes implemented by the Administrative Agent in connection therewith, or (b) if Adjusted Daily Simple SOFR Rate is not then available, the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrowers as the replacement for such Benchmark giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for such Benchmark for credit facilities of similar size denominated in Dollars at such time and (ii) the related Benchmark Replacement Adjustment, if any; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of any then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), if any, that has been selected by the Administrative Agent and the Borrowers giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate", the definition of "Business Day," or "SOFR Business Day", the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), the timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of Section 3.3 hereof and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to the then-current Benchmark:

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

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

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

"Benchmark Transition Event" means, with respect to the then-current Benchmark, the occurrence of one or more of the following events with respect to such Benchmark or any published component used in the calculation thereof:

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

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

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

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

"Benchmark Transition Start Date" means, with respect to any Benchmark, in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the ninetieth (90^{th}) day prior to the expected date of such event as of the date of such public statement or publication of information (or if the expected date of such prospective event is fewer than ninety (90) days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means, with respect to any then-current Benchmark, the period (if any) (a) beginning at the time that a Benchmark Replacement Date with respect to such Benchmark pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.8 hereof and (b) ending at the time that a Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.8 hereof.

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

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

"Borrower" means that term as defined in the first paragraph of this Agreement.

"Borrowers" means that term as defined in the first paragraph of this Agreement.

"Business Day" means a day that is not a Saturday, a Sunday or a day on which banks are authorized or required to close in Cleveland, Ohio, and, in addition, if the applicable Business Day relates to a SOFR Loan, a SOFR Business Day.

"Capital Distribution" means a payment made, liability incurred or other consideration given by a Company to any Person that is not a Company, (a) for the purchase, acquisition, redemption, repurchase, payment or retirement of any capital stock or other equity interest of such Company, or (b) as a dividend, return of capital or other distribution (other than any stock dividend, stock split or other equity distribution payable only in capital stock or other equity of such Company) in respect of such Company's capital stock or other equity interest; provided that, for purposes of calculating the Debt Service Coverage Ratio, Capital Distributions shall not include any distributions made to Arcadia Minority Holders as referenced on the balance sheet of DMC Global that are solely attributable to the ratable ownership of Arcadia Minority Holders of the equity interests of Arcadia.

"Capital Maintenance Rules" means liable capital maintenance rules applicable to companies incorporated in Germany as a limited liability company (*Gesellschaft mit beschränkter Haftung*) or established in Germany as a limited partnership (*Kommanditgesellschaft*) with a limited liability company (*Gesellschaft mit beschränkter Haftung*) as general partner if and to the extent that the relevant company guarantees obligations of an affiliated company other than any of its subsidiaries as set forth in Schedule 8 hereto.

"Capitalized Lease Obligations" means obligations of the Companies for the payment of rent for any real or personal property under leases or agreements to lease that, in accordance with GAAP, have been or should be capitalized on the books of the lessee and, for purposes hereof, the amount of any such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateral Account" means a commercial Deposit Account designated as a "cash collateral account" and maintained by one or more Borrowers with the Administrative Agent, without liability by the Administrative Agent or the Lenders to pay interest thereon, from which account the Administrative Agent, on behalf of the Lenders, shall have the exclusive right to withdraw funds until all of the Secured Obligations are paid in full (other than contingent indemnification obligations as to which no claim has been asserted).

"Cash Collateralize" means to deposit into a cash collateral account maintained with (or on behalf of) the Administrative Agent, and under the sole dominion and control of the Administrative Agent, or to pledge and deposit with or deliver to the Administrative Agent, for the benefit of any Issuing Lender, as collateral for any Letter of Credit Exposure or obligations of the Lenders to fund participations in respect of any Letter of Credit Exposure, cash or deposit account balances, or, if the Administrative Agent and such Issuing Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and such Issuing Lender. For the purposes of this Agreement, "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalent" means cash equivalent as determined in accordance with GAAP.

"Cash Security" means all cash, instruments, Deposit Accounts, Securities Accounts and cash equivalents, in each case whether matured or unmatured, whether collected or in the process of collection, upon which one or more Borrowers presently has or may hereafter have any claim or interest, wherever located, including but not limited to any of the foregoing that are presently or may hereafter be existing or maintained with, issued by, drawn upon by, or in the possession of the Administrative Agent or any Lender.

"CBA" has the meaning provided in the definition of "Adjusted Term SOFR Rate."

"Change in Control" means:

(a) the acquisition of ownership or voting control, directly or indirectly, beneficially (within the meaning of Rules 13d-3 and 13d-5 of the Exchange Act) or of record, on or after the Closing Date, by any Person or group (within the meaning of Sections 13d and 14d of the Exchange Act), of shares representing more than thirty-five percent (35%) of the aggregate ordinary Voting Power represented by the issued and outstanding equity interests of DMC Global;

(b) if, at any time during any period of twenty-four (24) consecutive months, a majority of the members of the board of directors of DMC Global cease to be composed of individuals (i) who were members of that board of directors on the first day of such period, (ii) whose election or nomination to that board of directors was approved by individuals referred to in subpart (i) hereof that constituted, at the time of such election or nomination, at least a majority of that board of directors, or (iii) whose election or nomination to that board of directors was approved by individuals referred to in subparts (i) and (ii) hereof that constituted, at the time of such election or nomination, at least a majority of that board of directors; or

(c) if DMC Global shall cease to own, directly or indirectly, one hundred percent (100%) of the aggregate ordinary Voting Power represented by the issued and outstanding capital stock or equity interests of each other Borrower.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Act and all requests, rules, guidelines or directives thereunder, or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Citibank Factoring Agreement" means that certain Supplier Agreement between Citibank, N.A. and DYNAenergetics US, whereby accounts receivable arising out of contracts or orders from Haliburton Company (and its affiliated entities) are sold to Citibank, N.A. by DYNAenergetics US, as amended, restated, supplemented or otherwise modified from time to time.

"Closing Date" means the effective date of this Agreement as set forth in the first paragraph of this Agreement.

"Closing Fee Letter" means the Closing Fee Letter between Administrative Borrower and the Administrative Agent, dated as of the Closing Date.

"Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

"Collateral" means (a) all of each Borrower's existing and future (i) personal property, (ii) Accounts, Investment Property, instruments, contract rights, chattel paper, documents, supporting obligations, letter-of-credit rights, Pledged Securities, Pledged Notes, Commercial Tort Claims, General Intangibles, Inventory and Equipment, (iii) funds now or hereafter on deposit in the Cash Collateral Account, and (iv) Cash Security; (b) the Mortgaged Real Property; and (c) Proceeds and products of any of the foregoing.

"Collateral Access Agreement" means an agreement, in form and substance reasonably satisfactory to the Administrative Agent, pursuant to which a lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, consignor, processor or other bailee of Inventory or other property owned by any Credit Party, acknowledges the Liens of the Administrative Agent and waives (or, if approved by the Administrative Agent, subordinates) any Liens held by such Person on such property, and, if applicable, permits the Administrative Agent's access to and use of such property to access, assemble, complete and sell any Collateral stored or otherwise located thereon.

"Commercial Tort Claim" means a commercial tort claim, as that term is defined in the U.C.C. Schedule 7.5 hereto lists all Commercial Tort Claims of the Domestic Credit Parties in existence as of the Closing Date in excess of Two Hundred Fifty Thousand Dollars ($250,000).)

"Commitment" means the obligation hereunder of the Lenders, (a) during the Commitment Period, to make Revolving Loans and to participate in Swing Loans and the issuance of Letters of Credit pursuant to the Revolving Credit Commitment, and (b) to make the Term Loan pursuant to the Term Loan Commitment; up to the Total Commitment Amount.

"Commitment Increase Period" means the period from the Closing Date to the date that is six months prior to the last day of the Commitment Period.

"Commitment Period" means the period from the Closing Date to December 23, 2026, or such earlier date on which the Commitment shall have been terminated pursuant to Article IX hereof.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, together with the rules and regulations promulgated thereunder.

"Communications" means, that term as defined in Section 10.17(b) hereof.

"Companies" means all Borrowers and all Subsidiaries of all Borrowers.

"Company" means a Borrower or a Subsidiary of a Borrower.

"Compliance Certificate" means a Compliance Certificate in the form of the attached Exhibit F.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consideration" means, in connection with an Acquisition, the aggregate consideration paid or to be paid, including borrowed funds, cash, deferred payments, the issuance of securities or notes, the assumption or incurring of liabilities (direct or contingent), the payment of consulting fees or fees for a covenant not to compete and any other consideration paid or to be paid for such Acquisition.

"Consolidated" means the resultant consolidation of the financial statements of DMC Global and its Subsidiaries in accordance with GAAP, including principles of consolidation consistent with those applied in preparation of the consolidated financial statements referred to in Section 6.14 hereof. For clarification purposes, with respect to the Arcadia Acquisition, (a) the financial statements delivered pursuant to Section 5.3(a) and (b) hereof shall only include the financial information of Arcadia and its subsidiaries for the period commencing on the date of acquisition thereof, and (b) the financial covenants in Section 5.7 hereof and any other use of such financial covenants throughout this Agreement shall be calculated on a pro forma basis to include the financial information of Arcadia and its subsidiaries as if owned by DMC Global as of the first date of the relevant calculation period (but excluding any such amounts attributable to the Arcadia Minority Ownership Percentage).

"Consolidated Capital Expenditures" means, for any period, the amount of capital expenditures of DMC Global, as determined on a Consolidated basis.

"Consolidated Debt Service" means, for any period, as determined on a Consolidated basis, the aggregate, without duplication, of (a) Consolidated Interest Expense paid in cash, (b) cash Capital Distributions made pursuant to Section 5.15(c) hereof, and (c) scheduled principal payments on Consolidated Funded Indebtedness (for the avoidance of doubt, not including any optional prepayments or any unscheduled mandatory prepayments).

"Consolidated Depreciation and Amortization Charges" means, for any period, the aggregate of all depreciation and amortization charges for fixed assets, leasehold improvements and general intangibles (specifically including goodwill) of DMC Global for such period, as determined on a Consolidated basis.

"Consolidated EBITDA" means, for any period, as determined on a Consolidated basis, (a) Consolidated Net Earnings for such period plus, without duplication, the aggregate amounts deducted in determining such Consolidated Net Earnings in respect of (i) Consolidated Interest Expense, (ii) Consolidated Income Tax Expense, (iii) Consolidated Depreciation and Amortization Charges, (iv) non-cash charges excluding inventory reserves, (v) non-recurring cash charges not incurred in the ordinary course of business as agreed to by the Administrative Agent in its discretion, (vi) unrealized foreign currency losses, (vii) non-cash stock-based compensation expense, (viii) one time integration expenses incurred in the first twelve months following consummation of the Arcadia Acquisition, including (but not limited to) in connection with the purchase and implementation of a Target ERP System, in an aggregate amount not to exceed Five Million Dollars ($5,000,000), (ix) any transaction-related expenses related to the Arcadia Acquisition, in an aggregate amount not to exceed Four Million Five Hundred Thousand Dollars ($4,500,000) and (x) non-cash amortization of the Inventory step-up related to the Arcadia Acquisition; minus (b) to the extent included in Consolidated Net Earnings for such period, (i) non-cash gains, (ii) non-recurring cash gains not incurred in the ordinary course of business, and (iii) unrealized foreign currency gains.

"Consolidated Funded Indebtedness" means, at any date, all Indebtedness of DMC Global, as determined on a Consolidated basis, evidenced by a note, bond, debenture or similar instrument with regularly scheduled interest payments and a maturity date.

"Consolidated Income Tax Expense" means, for any period, all provisions for taxes based on the gross or net income of DMC Global (including, without limitation, any additions to such taxes, and any penalties and interest with respect thereto), as determined on a Consolidated basis.

"Consolidated Interest Expense" means, for any period, the interest expense on Indebtedness (including, without limitation, the Preferred Stock and the "imputed interest" portion of Capitalized Lease Obligations, synthetic leases and asset securitizations, if any, and excluding deferred financing costs) of DMC Global for such period, as determined on a Consolidated basis.

"Consolidated Net Earnings" means, for any period, the net income (loss) of DMC Global for such period, as determined on a Consolidated basis; provided that for purposes of calculating Consolidated Net Earnings, a portion equal to the Arcadia Minority Ownership Percentage of the Consolidated Net Earnings attributable to Arcadia and its Subsidiaries shall be disregarded.

"Consolidated Net Worth" means, at any date, the stockholders' equity of DMC Global, determined as of such date on a Consolidated basis.

"Consolidated Unfunded Capital Expenditures" means, for any period, Consolidated Capital Expenditures that are not directly financed by the Companies with long-term Indebtedness (other than Revolving Loans) or Capitalized Lease Obligations, as determined on a Consolidated basis; provided that for purposes of calculating the Debt Service Coverage Ratio, a portion equal to the Arcadia Minority Ownership Percentage of the Consolidated Unfunded Capital Expenditures attributable to Arcadia and its Subsidiaries shall be disregarded.

"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.

"Control Agreement" means a Deposit Account Control Agreement or Securities Account Control Agreement.

"Controlled Group" means a Company and each Person required to be aggregated with a Company under Code Section 414(b), (c), (m) or (o).

"Council Regulation (EC) 2271/96" means Council Regulation (EC) No. 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom.

"Credit Event" means the making by the Lenders of a Loan, the conversion by the Lenders of a Base Rate Loan to a Term SOFR Loan, the conversion of a Term SOFR Loan to a Daily Simple SOFR Loan or the continuation of a Term SOFR Loan after the end of the applicable Interest Period, the making by a Swing Line Lender of a Swing Loan, or the issuance (or amendment or renewal) by an Issuing Lender of a Letter of Credit.

"Credit Party" means any Borrower and any Guarantor of Payment.

"Daily Simple SOFR Loan" means a Revolving Loan made to the Borrowers described in Section 2.2(a) hereof, or a portion of a Term Loan described in Section 2.3 hereof, in each case on which the Borrowers shall pay interest at the Derived Daily Simple SOFR Rate.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions, from time to time in effect.

"Debt Service Coverage Ratio" means, as determined for the most recently completed four fiscal quarters of DMC Global on a Consolidated basis, the ratio of (a) the sum of (i) Consolidated EBITDA, minus (ii) Capital Distributions paid in cash (other than those made pursuant to Section 5.15(c) hereof), minus (iii) Consolidated Unfunded Capital Expenditures, minus (iv) Consolidated Income Tax Expense paid in cash (net of income taxes refunded in cash during such period), minus (v) cash Restricted Payments pursuant to Section 5.15(d) hereof; to (b) Consolidated Debt Service.

"Default" means an event or condition that constitutes, or with the lapse of any applicable grace period or the giving of notice or both would constitute, an Event of Default, and that has not been waived by the Required Lenders (or, if required hereunder, all of the Lenders) in writing.

"Default Rate" means (a) with respect to any SOFR Loan, a rate per annum equal to two percent (2%) in excess of the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR Rate, as applicable, plus the then-applicable Applicable Margin, (b) with respect to any Loan bearing interest at the Base Rate or any Benchmark Replacement, such then-applicable rate plus the then-applicable margin applicable to such Loans plus a rate per annum equal to two percent (2%), and (c) with respect to any other amount, if no rate is specified or available, a rate per annum equal to two percent (2%) in excess of the Derived Base Rate from time to time in effect.

"Defaulting Lender" means, subject to Section 11.10(b) hereof, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder, unless such Lender notifies the Administrative Agent and the Administrative Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Lender, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Loans) within two Business Days of the date when due, (b) has notified the Administrative Borrower, the Administrative Agent, the Issuing Lender or the Swing Line Lender in writing that it does not intend to comply with its funding obligations under this Agreement, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Administrative Borrower, to confirm in writing to the Administrative Agent and the Administrative Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this subpart (c) upon receipt of such written confirmation by the Administrative Agent and the Administrative Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender, or any direct or indirect parent company thereof, by a Governmental Authority, so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States, or from the enforcement of judgments or writs of attachment on its assets, or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of subparts (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 11.10(b) hereof) upon delivery of written notice of such determination to the Administrative Borrower, the Issuing Lender, the Swing Line Lender and each Lender.

"Deposit Account" means a deposit account, as that term is defined in the U.C.C.

"Deposit Account Control Agreement" means each Deposit Account Control Agreement (or similar agreement with respect to a Deposit Account) among a Domestic Credit Party, the Administrative Agent and a depository institution, to be in form and substance satisfactory to the Administrative Agent in its reasonable discretion, as the same may from time to time be amended, restated or otherwise modified.

"Derived Base Rate" means a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for Base Rate Loans plus the Base Rate.

"Derived Daily Simple SOFR Rate" means a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for SOFR Loans plus the Adjusted Daily Simple SOFR rate.

"Derived Term SOFR Rate" means a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for SOFR Loans plus Adjusted Term SOFR Rate for the applicable Interest Period therefor.

"Dodd-Frank Act" means the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173) signed into law on July 21, 2010, as amended from time to time.

"Dollar" or the $ sign means lawful currency of the United States.

"Domestic Credit Party" means a Borrower or a Domestic Guarantor of Payment.

"Domestic Guarantor of Payment" means each of the Companies designated a "Domestic Guarantor of Payment" on Schedule 3 hereto, each of which is executing and delivering a Guaranty of Payment, and any other Domestic Subsidiary that shall deliver a Guaranty of Payment to the Administrative Agent subsequent to the Closing Date.

"Domestic Subsidiary" means a Subsidiary that is not a Foreign Subsidiary.

"Domestic Subsidiary Borrower" means each of the Domestic Subsidiaries of DMC Global set forth on Schedule 2 hereto, together with any other Domestic Subsidiary of DMC Global that shall have satisfied the requirements of Section 2.15(a) hereof.

"Dormant Subsidiary" means a Company that (a) is not a Credit Party or the direct or indirect equity holder of a Credit Party, (b) has aggregate assets of less than Fifty Thousand Dollars ($50,000) (or the foreign currency equivalent of such amount), and (c) has no direct or indirect Subsidiaries with aggregate assets, for such Company and all such Subsidiaries, of more than Fifty Thousand Dollars ($50,000) (or the foreign currency equivalent of such amount).

"DYNAenergetics US" means DYNAenergetics US, Inc., a Colorado corporation.

"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 subpart (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in subparts (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.9(b)(iii), (v) and (vi) hereof (subject to such consents, if any, as may be required under Section 11.9(b)(iii) hereof).

"Environmental Laws" means all provisions of law (including the common law), statutes, ordinances, codes, rules, guidelines, policies, procedures, orders-in-council, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, authorizations, certificates, approvals, registrations, awards and standards promulgated by a Governmental Authority or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning environmental health or safety and protection of natural resources, or regulation of the discharge of substances into, the environment.

"Environmental Permits" means all permits, licenses, authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.

"Equalization Event" means the earlier of (a) the occurrence of an Event of Default under Section 8.11 hereof, or (b) the acceleration of the maturity of the Obligations after the occurrence of an Event of Default.

"Equalization Maximum Amount" means that term as defined in Section 9.5(b)(i) hereof.

"Equalization Percentage" means that term as defined in Section 9.5(b)(ii) hereof.

"Equipment" means equipment, as that term is defined in the U.C.C.

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

"ERISA Event" means (a) the existence of a condition or event with respect to an ERISA Plan that presents a risk of the imposition of an excise tax or any other liability on a Company or of the imposition of a Lien on the assets of a Company; (b) the engagement by a Company in a non-exempt "prohibited transaction" (as defined under ERISA Section 406 or Code Section 4975) or a breach of a fiduciary duty under ERISA that could result in material liability to a Company; (c) the application by a Controlled Group member for a waiver from the minimum funding requirements of Code Section 412 or ERISA Section 302 or a Controlled Group member is required to provide security under Code Section 412(c)(4) or ERISA Section 302(c)(4); (d) the occurrence of a Reportable Event as to which notice is required to be provided to the PBGC; (e) the withdrawal by a Controlled Group member from a Multiemployer Plan in a "complete withdrawal" or a "partial withdrawal" (as such terms are defined in ERISA Sections 4203 and 4205, respectively); (f) the occurrence of a Multiemployer Plan being in endangered or critical status, as defined in Section 432 of the Code; (g) the failure of an ERISA Plan (and any related trust) that is intended to be qualified under Code Sections 401 and 501 to be so qualified or the failure of any "cash or deferred arrangement" under any such ERISA Plan to meet the requirements of Code Section 401(k); (h) the receipt by any Controlled Group member of any notice from the PBGC or a plan administrator relating to an intention to terminate an ERISA Plan or appoint a trustee to administer a Pension Plan, or the taking by a Controlled Group member of any steps to terminate a Pension Plan; (i) the failure by a Controlled Group member or an ERISA Plan to satisfy any requirements of law applicable to an ERISA Plan; (j) the commencement, existence or threatening of a claim, action, suit, audit or investigation with respect to an ERISA Plan, other than a routine claim for benefits; or (k) any incurrence by or any expectation of the incurrence by a Controlled Group member of any liability for post-retirement benefits under any Welfare Plan, other than as required by ERISA Section 601, et. seq. or Code Section 4980B.

"ERISA Plan" means an "employee benefit plan" (within the meaning of ERISA Section 3(3)) that a Controlled Group member at any time sponsors, maintains, contributes to, has liability with respect to or has an obligation to contribute to such plan.

"Erroneous Payment" means that term as defined in Section 10.18(a) hereof.

"Erroneous Payment Deficiency Assignment" means that term as defined in Section 10.18(d) hereof.

"Erroneous Payment Impacted Class" means that term as defined in Section 10.18(d) hereof.

"Erroneous Payment Return Deficiency" means that term as defined in Section 10.18(d) hereof.

"Erroneous Payment Subrogation Rights" means that term as defined in Section 10.18(a) hereof.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor entity), as in effect from time to time.

"Event of Default" means an event or condition that shall constitute an event of default as defined in Article VIII hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Swap Obligations" means, with respect to any Credit Party, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party's

failure to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to any "keepwell, support or other agreement" for the benefit of such Credit Party and any and all guarantees of such Credit Party's Swap Obligations by other Credit Parties), at the time such guarantee or grant of security interest of such Credit Party becomes, or would become, effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is, or becomes, illegal.

"Excluded Taxes" means, with respect to a Recipient, any of the following Taxes imposed on or with respect to such Recipient or required to be withheld or deducted from a payment to such 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 located in, or, in the case of any Lender, having 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 pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Administrative Borrower under Sections 3.6 or 11.3(c) hereof); or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.2 hereof, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto, or to such Lender immediately before it changed its lending office; (c) Taxes attributable to such Recipient's failure to comply with Section 3.2(e) hereof; and (d) any U.S. federal withholding Taxes imposed with respect to such Recipient pursuant to FATCA.

"FATCA" means Sections 1471 through 1474 of the Code as in effect on the Closing Date (or any amended or successor version that is substantively comparable to and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such sections of the Code, and any fiscal or regulatory legislation, rules, or practices adopted pursuant to such intergovernmental agreement.

"Federal Funds Effective Rate" means, for any day, the rate per annum (rounded upward to the nearest one one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the Closing Date.

"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"Financial Officer" means any of the following officers: chief executive officer, president, chief financial officer or treasurer. Unless otherwise qualified, all references to a Financial Officer in this Agreement shall refer to a Financial Officer of the Administrative Borrower.

"Flood Insurance Laws" means, collectively (a) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973), as now or hereafter in effect or any successor statute thereto, (b) the Flood Insurance Reform Act of 2004, as now or hereafter in effect or any successor statute thereto, and (c) the Biggert-Waters Flood Insurance Reform Act of 2012, as now or hereafter in effect or any successor statute thereto.

"Floor" means a rate of interest equal to zero percent (0%).

"Foreign Guarantor of Payment" means each of the Companies designated a "Foreign Guarantor of Payment" onSchedule 3 hereto, each of which is executing and delivering a Guaranty of Payment, and any other Foreign Subsidiary that shall deliver a Guaranty of Payment to the Administrative Agent subsequent to the Closing Date.

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

"Foreign Subsidiary" means a Subsidiary that is organized under the laws of any jurisdiction other than the United States, any state thereof or the District of Columbia.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to an Issuing Lender, such Defaulting Lender's outstanding Letter of Credit Exposure (to the extent of such Defaulting Lender's Applicable Commitment Percentage of the Revolving Credit Commitment) with respect to Letters of Credit issued by such Issuing Lender, other than Letter of Credit Exposure as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof; and (b) with respect to a Swing Line Lender, such Defaulting Lender's Swing Line Exposure (to the extent of such Defaulting Lender's Applicable Commitment Percentage of the Revolving Credit Commitment) made by such Swing Line Lender, other than Swing Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

"GAAP" means generally accepted accounting principles in the United States as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, applied on a basis consistent with the past accounting practices and procedures of DMC Global.

"General Intangibles" means (a) general intangibles, as that term is defined in the U.C.C.; and (b) choses in action, causes of action, intellectual property, customer lists, corporate or other business records, inventions, designs, patents, patent applications, service marks, registrations, trade names, trademarks, copyrights, licenses, goodwill, computer software, rights to indemnification and tax refunds.

"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, department, 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), any securities exchange and any self-regulatory organization exercising such functions, and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"Guarantor" means a Person that shall have pledged its credit or property in any manner for the payment or other performance of the indebtedness, contract or other obligation of another and includes (without limitation) any guarantor (whether of payment or of collection), surety, co-maker, endorser or Person that shall have agreed conditionally or otherwise to make any purchase, loan or investment in order thereby to enable another to prevent or correct a default of any kind.

"Guarantor of Payment" means a Domestic Guarantor of Payment or Foreign Guarantor of Payment, or any other Person that shall execute and deliver a Guaranty of Payment to the Administrative Agent subsequent to the Closing Date.

"Guaranty of Payment" means each Guaranty of Payment executed and delivered on or after the Closing Date in connection with this Agreement by the Guarantors of Payment, as the same may from time to time be amended, restated or otherwise modified and which in case of a Foreign Guarantor of Payment shall be subject to applicable Capital Maintenance Rules.

"Guaranty of Payment Joinder" means each Guaranty of Payment Joinder, executed and delivered by a Domestic Guarantor of Payment for the purpose of adding such Domestic Guarantor of Payment as a party to a previously executed Guaranty of Payment.

"Hedge Agreement" means any (a) hedge agreement, interest rate swap, cap, collar or floor agreement, or other interest rate management device entered into by a Company with any Person in connection with any Indebtedness of such Company, or (b) currency swap agreement, forward currency purchase agreement or similar arrangement or agreement designed to protect against fluctuations in currency exchange rates entered into by a Company.

"Indebtedness" means, for any Company, without duplication, (a) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (b) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (c) all obligations under conditional sales or other title retention agreements, (d) all obligations (contingent or otherwise) under any letter of credit or banker's acceptance, (e) all net obligations under any currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device or any Hedge Agreement, (f) all synthetic leases, (g) all Capitalized Lease Obligations, (h) all obligations of such Company with respect to asset securitization financing programs, (i) all obligations to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person, (j) all indebtedness of the types referred to in subparts (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Company is a general partner or joint venturer, unless such indebtedness is expressly made non-recourse to such Company, (k) any other transaction (including forward sale or purchase agreements) having the commercial effect of a borrowing of money entered into by such Company to finance its operations or capital requirements, and (l) any guaranty of any obligation described in subparts (a) through (k) above.

"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 Credit Party under any Loan Document, and (b) to the extent not otherwise described in the foregoing subpart (a), Other Taxes.

"Intellectual Property Security Agreement" means each Intellectual Property Security Agreement, executed and delivered by a Domestic Credit Party, wherein such Credit Party, as the case may be, has granted to the Administrative Agent, for the benefit of the Lenders, a security interest in all intellectual property owned by such Domestic Credit Party, as the same may from time to time be amended, restated or otherwise modified.

"Interest Adjustment Date" means the last day of each Interest Period.

"Interest Payment Date" means (a) as to any Base Rate Loan or any Daily Simple SOFR Loan, each Regularly Scheduled Payment Date and the last day of the Commitment Period with respect to the Revolving Credit Commitment and the Term Loan Maturity Date with respect to the Term Loan, and (b) with respect to any Term SOFR Loan, the last day of each Interest Period therefor and, in the case of any Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at three month intervals after the first day of such Interest Period, and the last day of the Commitment Period with respect to the Revolving Credit Commitment and the Term Loan Maturity Date with respect to the Term Loan.

"Interest Period" means, with respect to each Term SOFR Loan, a period of one (1) month (subject to the availability thereof), as specified in the applicable Notice of Loan; provided that (a) the initial Interest Period for any Term SOFR Loan shall commence on the date of such Loan (the date of a conversion or continuation shall be the date of such conversion or continuation) and each Interest Period occurring thereafter in respect of such Loan shall commence on the day on which the next proceeding Interest Period expires; (b) if any Interest Period begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month; (c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; (d) no Interest Period for any Term SOFR Loan may be selected that would end after the last day of the Commitment Period with respect to the Revolving Credit Commitment, the Term Loan Maturity Date with respect to the Term Loan; and (e) if, upon the expiration of any Interest Period, the Administrative Borrower has failed to (or may not) elect a new Interest Period to be applicable to the respective a Term SOFR Loan as provided above, the Administrative Borrower shall be deemed to have elected to convert such Loan to a Base Rate Loan effective as of the expiration date of such current Interest Period.

"Inventory" means inventory, as that term is defined in the U.C.C.

"Investment Property" means investment property, as that term is defined in the U.C.C., unless the Uniform Commercial Code as in effect in another jurisdiction would govern the perfection and priority of a security interest in investment property, and, in such case, "investment property" shall be defined in accordance with the law of that jurisdiction as in effect from time to time.

"IRS" means the United States Internal Revenue Service.

"Issuing Lender" means, as to any Letter of Credit transaction hereunder, the Administrative Agent as issuer of the Letter of Credit, or, in the event that the Administrative Agent either shall be unable to issue or the Administrative Agent shall agree that may issue, a Letter of Credit, such other Revolving Lender as shall be acceptable to the Administrative Agent and shall agree to issue the Letter of Credit in its own name, but in each instance on behalf of the Revolving Lenders, with such other Lender being an Additional Issuing Lender.

"KeyBank" means KeyBank National Association, and its successors and assigns.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or

judicial precedents or authorities having the force of law, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority having the force of law.

"Lender" means that term as defined in the first paragraph of this Agreement and, as the context requires, shall include the Issuing Lenders and the Swing Line Lenders.

"Lender Credit Exposure" means, for any Lender, at any time, the aggregate of such Lender's respective pro rata shares of the Revolving Credit Exposure and the Term Loan Exposure.

"Letter of Credit" means a commercial documentary letter of credit or standby letter of credit that shall be issued by the Issuing Lender for the account of a Borrower or Domestic Guarantor of Payment, including amendments thereto, if any, and shall have an expiration date no later than one year after its date of issuance (provided that such Letter of Credit may provide for the renewal thereof for additional one year periods).

"Letter of Credit Commitment" means the commitment of the Issuing Lenders, on behalf of the Revolving Lenders, to issue Letters of Credit in an aggregate face amount of up to Twenty-Five Million Dollars ($25,000,000).

"Letter of Credit Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all issued and outstanding Letters of Credit, and (b) the aggregate of the draws made on Letters of Credit that have not been reimbursed by the Borrowers or converted to a Revolving Loan pursuant to Section 2.2(b) hereof.

"Letter of Credit Fee" means, with respect to any Letter of Credit, for any day, an amount equal to (a) the undrawn portion of the face amount of such Letter of Credit, multiplied by (b) the Applicable Margin for SOFR Loans in effect on such day divided by three hundred sixty (360).

"Letter of Credit Request" means a Letter of Credit Request in the form of the attachedExhibit E.

"Leverage Ratio" means, as determined on a Consolidated basis, the ratio of (a) Consolidated Funded Indebtedness (as of the end of the most recently completed fiscal quarter of DMC Global); to (b) Consolidated EBITDA (for the most recently completed four fiscal quarters of DMC Global).

"Lien" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity Amount" means, as of any date of determination, the sum of (a) all unencumbered (other than any Lien in favor of the Administrative Agent) and unrestricted cash and Cash Equivalents on hand of the Credit Parties held in the United States; plus (b) (i) the Revolving Credit Commitment, minus (ii) the Revolving Credit Exposure.

"Loan" means a Revolving Loan, a Swing Loan or the Term Loan.

"Loan Documents" means, collectively, this Agreement, each Note, each Guaranty of Payment, each Guaranty of Payment Joinder, all documentation relating to each Letter of Credit, each Security Document, each Additional Borrower Assumption Agreement, the Administrative Agent Fee Letter and the Closing Fee Letter, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced, and any other document delivered pursuant thereto which states therein that such document is a "Loan Document".

"Lookback Day" has the meaning provided in the definition of "Adjusted Term SOFR Rate".

"Mandatory Prepayment" means that term as defined in Section 2.12(c) hereof.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, liabilities (actual or contingent), operations, or condition (financial or otherwise) of the Credit Parties, taken as a whole, (b) the rights and remedies of the Administrative Agent or the Lenders under any Loan Document, (c) the ability of the Credit Parties to perform their obligations under any Loan Document, or (d) the legality, validity, binding effect or enforceability against the Credit Parties of any Loan Document.

"Material Agreement" means (a) any contract, agreement or other arrangement (other than the Loan Documents) to which any Company is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto could reasonably be expected to result in a Material Adverse Effect, and (b) any Material Indebtedness Agreement.

"Material Indebtedness Agreement" means any debt instrument, lease (capital, operating or otherwise), guaranty, contract, commitment, agreement or other arrangement evidencing or entered into in connection with any Indebtedness of any Company or the Companies the outstanding principal amount or available commitment of which is equal to or in excess, in the aggregate, of the amount of Five Million Dollars ($5,000,000).

"Material Recovery Determination Notice" means that term as defined in Section 2.12(c)(ii) hereof.

"Material Recovery Event" means (a) any casualty loss in respect of assets of a Company covered by casualty insurance, and (b) any compulsory transfer or taking under threat of compulsory transfer of any asset of a Company by any Governmental Authority; provided that, in the case of either subpart (a) or (b) hereof, the proceeds received by the Companies from such loss, transfer or taking exceeds One Million Dollars ($1,000,000).

"Maximum Amount" means, for each Lender, the amount set forth opposite such Lender's name under the column headed "Maximum Amount" as set forth on Schedule 1 hereto, subject to (a) decreases pursuant to Section 2.10(a) hereof, (b) increases pursuant to Section 2.10(b) hereof, (c) decreases of the Term Loan by virtue of principal payments made, and (d) assignments of interests pursuant to Section 11.9 hereof; provided that the Maximum Amount for a Swing Line Lender shall exclude the Swing Line Commitment (other than its pro rata share), and the Maximum Amount of an Issuing Lender shall exclude the Letter of Credit Commitment (other than its pro rata share thereof).

"Maximum Rate" means that term as defined in Section 2.4(f) hereof.

"Maximum Revolving Amount" means Fifty Million Dollars ($50,000,000), as such amount may be increased pursuant to Section 2.10(b) hereof or reduced pursuant

to Section 2.10(a) hereof.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to one hundred three percent (103%) of the Fronting Exposure of the Issuing Lender with respect to Letters of Credit issued and outstanding at such time, and (b) otherwise, an amount determined by the Administrative Agent and the Issuing Lender in their sole discretion.

"Moody's" means Moody's Investors Service, Inc., and any successor to such company.

"Mortgage" means each Open-End Mortgage, Assignment of Leases and Rents and Security Agreement (or deed of trust or comparable document), relating to the Mortgaged Real Property, executed and delivered by a Credit Party, to further secure the Secured Obligations, as the same may from time to time be amended, restated or otherwise modified.

"Mortgaged Real Property" means each parcel of real estate owned by a Credit Party, as set forth on Schedule 5 hereto, together with all improvements and buildings thereon and all appurtenances, easements or other rights thereto belonging, and being defined collectively as the "Property" in each of the Mortgages; provided that Mortgages shall not be required on the Closing Date with respect to the 4407 FM 933, North Whitney, Texas 76692 and 3225 Washington Boulevard, Vernon, California 90058 real properties.

"MUFG Factoring Agreement" means that certain Receivables Purchase Agreement between MUFG Union Bank, N.A. and DYNAenergetics US, whereby accounts receivable arising out of contracts or orders from Baker Hughes, a GE Company, LLC (and its subsidiaries and affiliates) are sold to MUFG Union Bank, N.A. by DYNAenergetics US, as amended, restated, supplemented or otherwise modified from time to time.

"Multiemployer Plan" means a Pension Plan that is subject to the requirements of Subtitle E of Title IV of ERISA.

"Non-Consenting Lender" means that term as defined in Section 11.3(c) hereof.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means a Revolving Credit Note, a Swing Line Note or a Term Note, or any other promissory note delivered pursuant to this Agreement.

"Notice of Loan" means a Notice of Loan in the form of the attached Exhibit D.

"Obligations" means, collectively, (a) all Indebtedness and other obligations now owing or hereafter incurred by one or more Borrowers to the Administrative Agent, any Swing Line Lender, any Issuing Lender, or any Lender pursuant to this Agreement and the other Loan Documents, and includes the principal of and interest on all Loans, and all obligations of the Borrowers or any other Credit Party pursuant to Letters of Credit; (b) each extension, renewal, consolidation or refinancing of any of the foregoing, in whole or in part; (c) the commitment and other fees, and any prepayment fees, payable pursuant to this Agreement or any other Loan Document; (d) all fees and charges owing by any Company in connection with Letters of Credit; (e) every other liability, now or hereafter owing to the Administrative Agent or any Lender by any Company pursuant to this Agreement or any other Loan Document; and (f) all Related Expenses.

"Operating Leases" means all real or personal property leases under which any Company is bound or obligated as a lessee or sublessee and which, under GAAP, are not required to be capitalized on a balance sheet of such Company; provided that Operating Leases shall not include any such lease under which any Company is also bound as the lessor or sublessor.

"Organizational Documents" means, with respect to any Person (other than an individual), such Person's Articles (Certificate) of Incorporation, operating agreement or equivalent formation documents, and Regulations (Bylaws), or equivalent governing documents, and any amendments to any of the foregoing.

"Original Credit Agreement" means that term as defined in the first Whereas clause on the first page of this Agreement.

"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 Taxes (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or any 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 hereunder or under any other Loan Document, or from the execution, delivery, performance, or enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.6 or 11.3(c) hereof).

"Overall Commitment Percentage" means, for any Lender, the percentage determined by dividing (a) the sum, based upon such Lender's Applicable Commitment Percentages, of (i) the principal outstanding on the Term Loan, (ii) the aggregate principal amount of Revolving Loans outstanding, (iii) the Swing Line Exposure, and (iv) the Letter of Credit Exposure; by (b) the sum of (i) the aggregate principal amount of all Loans outstanding, plus (ii) the Letter of Credit Exposure.

"Participant" means that term as defined in Section 11.9(d) hereof.

"Participant Register" means that term as defined in Section 11.9(d) hereof.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001, as amended from time to time.

"Payment Recipient" means that term as defined in Section 10.18(a) hereof.

"PBGC" means the Pension Benefit Guaranty Corporation, and its successor.

"Pension Plan" means an ERISA Plan that is a "pension plan" (within the meaning of ERISA Section 3(2)).

"Person" means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, unlimited liability company, institution, trust, estate, Governmental Authority or any other entity.

"Platform" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system selected by the Administrative Agent.

"Pledge Agreement" means each of the Pledge Agreements, relating to the Pledged Securities, executed and delivered by a Borrower or a Guarantor of Payment, as applicable, in favor of the Administrative Agent, for the benefit of the Lenders, as any of the foregoing may from time to time be amended, restated or otherwise modified.

"Pledged Notes" means the promissory notes payable to a Domestic Credit Party, as described onSchedule 7.4 hereto, and any additional or future promissory notes that may hereafter from time to time be payable to one or more Domestic Credit Parties; provided that Schedule 7.4 shall not include, and the delivery requirements of Section 7.4 hereof shall not apply to, any such promissory note the original principal amount of which is less than Two Hundred Fifty Thousand Dollars ($250,000) so long as the aggregate principal amount of all promissory notes below such threshold amount does not exceed One Million Dollars ($1,000,000).

"Pledged Securities" means all of the shares of capital stock or other equity interests of a direct Subsidiary of a Credit Party, whether now owned or hereafter acquired or created, and all proceeds thereof; provided that Pledged Securities shall exclude (a) shares of capital stock or other equity interests of any Foreign Subsidiary that is not a first-tier Foreign Subsidiary, and (b) shares of voting capital stock or other voting equity interests in any first-tier Foreign Subsidiary in excess of sixty-five percent (65%) of the total outstanding shares of voting capital stock or other voting equity interest of such first-tier Foreign Subsidiary. (Schedule 4 hereto lists, as of the Closing Date, all of the Pledged Securities.)

"Preferred Stock" means the Series A Convertible Preferred Stock issued or to be issued by DMC Global to the Arcadia Minority Holders in connection with the Arcadia Acquisition.

"Prime Rate" means the interest rate established from time to time by the Administrative Agent as the Administrative Agent's prime rate, whether or not such rate shall be publicly announced; the Prime Rate may not be the lowest interest rate charged by the Administrative Agent for commercial or other extensions of credit. Each change in the Prime Rate shall be effective immediately from and after such change.

"Proceeds" means (a) proceeds, as that term is defined in the U.C.C., and any other proceeds, and (b) whatever is received upon the sale, exchange, collection or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds include, without limitation, moneys, checks and Deposit Accounts. Proceeds include, without limitation, any Account arising when the right to payment is earned under a contract right, any insurance payable by reason of loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in this Agreement, the right of the Administrative Agent and the Lenders to Proceeds specifically set forth herein, or indicated in any financing statement, shall never constitute an express or implied authorization on the part of the Administrative Agent or any Lender to a Company's sale, exchange, collection or other disposition of any or all of the collateral securing the Secured Obligations.

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

"Reference Time" with respect to any setting of the then-current Benchmark means (a) if such Benchmark is the Adjusted Daily Simple SOFR Rate, then four (4) SOFR Business Days prior to (i) if the date of such setting is a SOFR Business Day, such date or (ii) if the date of such setting is not a SOFR Business Day, the SOFR Business Day immediately preceding such date and (b) if such Benchmark is not the Adjusted Daily Simple SOFR Rate, 6:00 a.m. (Eastern Time), on the day that is two SOFR Business Days preceding the date of such setting.

"Register" means that term as described in Section 11.9(c) hereof.

"Regularly Scheduled Payment Date" means the last day of each March, June, September and December of each year.

"Related Expenses" means any and all costs, liabilities and expenses (including, without limitation, losses, damages, penalties, claims, actions, reasonable attorneys' fees, legal expenses, judgments, suits and disbursements) (a) incurred by the Administrative Agent, or imposed upon or asserted against the Administrative Agent or any Lender, in any attempt by the Administrative Agent and the Lenders to (i) obtain, preserve, perfect or enforce any Loan Document or any security interest evidenced by any Loan Document; (ii) obtain payment, performance or observance of any and all of the Secured Obligations; or (iii) maintain, insure, audit, collect, preserve, repossess or dispose of any of the collateral securing the Secured Obligations or any part thereof, including, without limitation, costs and expenses for appraisals, assessments and audits of any Company or any such collateral; or (b) incidental or related to subpart (a) above, including, without limitation, interest thereupon from the date incurred, imposed or asserted until paid at the Default Rate.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Related Writing" means each Loan Document and any other assignment, mortgage, security agreement, guaranty agreement or subordination agreement executed and delivered by any Credit Party, or any of its officers, to the Administrative Agent or the Lenders pursuant to or otherwise in connection with this Agreement; provided that no Bank Product Agreement or Hedge Agreement shall constitute a Related Writing hereunder.

"Relevant Governmental Body" means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

"Reportable Event" means a "reportable event" as that term is defined in ERISA Title IV, Section 4043(c).

"Required Lenders" means the holders, based upon each Lender's Applicable Commitment Percentages, of at least fifty-one percent (51%) of an amount (the "Total Amount") equal to the sum of:

(a) (i) during the Commitment Period, the Maximum Revolving Amount, or (ii) after the Commitment Period, the Revolving Credit Exposure;

(b) the principal outstanding on the Term Loan; and

(c) the principal outstanding on the Additional Term Loan Facility;

provided that (A) the portion of the Total Amount held or deemed to be held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders, and (B) if there shall be two or more unaffiliated Lenders (that are not Defaulting Lenders), Required Lenders shall constitute at least two unaffiliated Lenders (that are not Defaulting Lenders).

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

"Restricted Payment" means, with respect to any Company, (a) any Capital Distribution, (b) any amount paid by such Company in repayment, redemption, retirement or repurchase, directly or indirectly, of any Subordinated Indebtedness, (c) any amount paid by such Company in respect of any management, consulting or other similar arrangement with any equity holder (other than a Company) of a Company or an Affiliate of a Company, or (d) any cash purchase of Arcadia equity interests pursuant to any put or call option granted in connection with the Arcadia Acquisition.

"Revolving Credit Commitment" means the obligation hereunder, during the Commitment Period, of (a) the Revolving Lenders (and each Revolving Lender) to make Revolving Loans, (b) the Issuing Lenders to issue and each Revolving Lender to participate in, Letters of Credit pursuant to the Letter of Credit Commitment, and (c) the Swing Line Lenders to make, and each Revolving Lender to participate in, Swing Loans pursuant to the Swing Line Commitment; up to an aggregate principal amount outstanding at any time equal to the Maximum Revolving Amount.

"Revolving Credit Exposure" means, at any time, the sum of (a) the aggregate principal amount of all Revolving Loans outstanding, (b) the Swing Line Exposure, and (c) the Letter of Credit Exposure.

"Revolving Credit Note" means a Revolving Credit Note, in the form of the attached Exhibit A, executed and delivered pursuant to Section 2.5(a) hereof.

"Revolving Lender" means a Lender with a percentage of the Revolving Credit Commitment as set forth on Schedule 1 hereto, or that acquires a percentage of the Revolving Credit Commitment pursuant to Section 2.10(b) or 11.9 hereof.

"Revolving Loan" means a loan made to the Borrowers by the Revolving Lenders in accordance with Section 2.2(a) hereof.

"Sanctions" means any sanctions administered or enforced from time to time by (a) the U.S. government, including those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom, or other relevant sanctions authorities.

"Schlumberger Factoring Agreement" means that certain Supplier Agreement between Citibank Europe plc and DYNAenergetics US, whereby accounts receivable arising out of contracts or orders from Schlumberger Technology Corporation (and its subsidiaries and affiliates) are sold to Citibank Europe plc by DYNAenergetics US, as amended, restated, supplemented or otherwise modified from time to time.

"Secured Obligations" means, collectively, (a) the Obligations, (b) all obligations and liabilities of the Companies owing to a Lender (or an entity that is an Affiliate of a then existing Lender) under Hedge Agreements, and (c) the Bank Product Obligations owing to a Lender (or an entity that is an Affiliate of a then existing Lender) under Bank Product Agreements; provided that Secured Obligations of a Credit Party shall not include Excluded Swap Obligations owing from such Credit Party.

"Securities Account" means a securities account, as that term is defined in the U.C.C.

"Securities Account Control Agreement" means each Securities Account Control Agreement (or similar agreement with respect to a Securities Account) among a Domestic Credit Party, the Administrative Agent and a Securities Intermediary, to be in form and substance satisfactory to the Administrative Agent in its reasonable discretion, as the same may from time to time be amended, restated or otherwise modified.

"Securities Intermediary" means a clearing corporation or a Person, including, without limitation, a bank or broker, that in the ordinary course of its business maintains Securities Accounts for others and is acting in that capacity.

"Security Agreement" means each Security Agreement, executed and delivered by a Domestic Guarantor of Payment in favor of the Administrative Agent, for the benefit of the Lenders, and any other Security Agreement executed on or after the Closing Date, as the same may from time to time be amended, restated or otherwise modified.

"Security Agreement Joinder" means each Security Agreement Joinder, executed and delivered by a Domestic Guarantor of Payment for the purpose of adding such Domestic Guarantor of Payment as a party to a previously executed Security Agreement.

"Security Document" means each Security Agreement, each Security Agreement Joinder, each Pledge Agreement, each Intellectual Property Security Agreement, each Collateral Access Agreement, each Control Agreement, each U.C.C. Financing Statement or similar filing as to a jurisdiction located outside of the United States filed in connection herewith or perfecting any interest created in any of the foregoing documents, and any other document pursuant to which any Lien is granted by a Company or any other Person to the Administrative Agent, for the benefit of the Lenders, as security for the Secured Obligations, or any part thereof, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced.

"SOFR" or "SOFR Rate" means, with respect to any SOFR Business Day, a rate per annum equal to the secured overnight financing rate for such SOFR Business Day.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

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

"SOFR Loan" means any Term SOFR Loan and Daily Simple SOFR Loan.

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

"Specific Commitment" means the Revolving Credit Commitment or the Term Loan Commitment.

"Standard & Poor's" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc., and any successor thereto.

"Subordinated Indebtedness" means Indebtedness that shall have been subordinated (by written terms or written agreement being, in either case, in form and substance satisfactory to the Administrative Agent in its reasonable discretion) in favor of the prior payment in full of the Obligations (other than contingent indemnification obligations as to which no claim has been asserted).

"Subsidiary" means (a) a corporation more than fifty percent (50%) of the Voting Power of which is owned, directly or indirectly, by a Borrower or by one or more other subsidiaries of such Borrower or by such Borrower and one or more subsidiaries of such Borrower, (b) a partnership, limited liability company or unlimited liability company of which a Borrower, one or more other subsidiaries of such Borrower or such Borrower and one or more subsidiaries of such Borrower, directly or indirectly, is a general partner or managing member, as the case may be, or otherwise has an ownership interest greater than fifty percent (50%) of all of the ownership interests in such partnership, limited liability company or unlimited liability company, or (c) any other Person (other than a corporation, partnership, limited liability company or unlimited liability company) in which a Borrower, one or more other subsidiaries of such Borrower or such Borrower and one or more subsidiaries of such Borrower, directly or indirectly, has at least a majority interest in the Voting Power or the power to elect or direct the election of a majority of directors or other governing body of such Person. Unless otherwise specified, references to Subsidiary shall mean a Subsidiary of DMC Global.

"Subsidiary Borrower" means a Borrower other than DMC Global.

"Swap Obligations" means, with respect to any Company, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swing Line Commitment" means the commitment of the Swing Line Lender to make Swing Loans to the Borrowers, on a discretionary basis, up to the aggregate amount at any time outstanding of Seven Million Five Hundred Thousand Dollars ($7,500,000).

"Swing Line Exposure" means, at any time, the aggregate principal amount of all Swing Loans outstanding.

"Swing Line Lender" means KeyBank.

"Swing Line Note" means the Swing Line Note, in the form of the attached Exhibit B, executed and delivered pursuant to Section 2.5(c) hereof.

"Swing Loan" means a loan that shall be denominated in Dollars made to the Borrowers by the Swing Line Lender under the Swing Line Commitment, in accordance with Section 2.2(c) hereof.

"Swing Loan Maturity Date" means, with respect to any Swing Loan, the earlier of (a) fifteen (15) days after the date such Swing Loan is made, or (b) the last day of the Commitment Period.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Lender" means a Lender with a percentage of the Term Loan Commitment as set forth on Schedule 1 hereto, or that acquires a percentage of the Term Loan Commitment pursuant to Section 2.10(b) or 11.9 hereof.

"Term Loan" means the loan made to the Borrowers by the Term Lenders in accordance with Section 2.3 hereof (as such amount may be increased pursuant to Section 2.10(b) hereof).

"Term Loan Commitment" means the obligation hereunder of the Term Lenders to make the Term Loan in the original principal amount of One Hundred Fifty Million Dollars ($150,000,000), with each Term Lender's obligation to participate therein being in the amount set forth opposite such Term Lender's name in the column headed "Term Loan Commitment Amount" as set forth on Schedule 1 hereto, subject to assignments of interests pursuant to Section 11.9 hereof.

"Term Loan Maturity Date" means December 23, 2026.

"Term Note" means a Term Note, in the form of the attached Exhibit C executed and delivered pursuant to Section 2.5(c) hereof.

"Term SOFR Rate" means that term as defined in Adjusted Term SOFR Rate.

"Term SOFR Administrator" means CBA (or a successor administrator of the forward-looking secured overnight financing rate).

"Term SOFR Loan" means a Revolving Loan made to the Borrowers described in Section 2.2(a) hereof, or a portion of a Term Loan described in Section 2.3 hereof, in each case that shall on which the Borrowers shall pay interest at the Derived Term SOFR Rate.

"Total Commitment Amount" means the principal amount of Two Hundred Million Dollars ($200,000,000), as such amount may be increased pursuant to Section 2.10(b) hereof, or decreased pursuant to Section 2.10(a) hereof.

"Trade Date" means that term as defined in Section 11.9(b)(i)(B) hereof.

"U.C.C." means the Uniform Commercial Code, as in effect from time to time in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York,

"U.C.C." means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"U.C.C. Financing Statement" means a financing statement filed or to be filed in accordance with the Uniform Commercial Code, as in effect from time to time, in the relevant state or states.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form 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. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" means that term as defined in Section 3.2(e) hereof.

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

"United States" means the United States of America.

"Voting Power" means, with respect to any Person, the exclusive ability to control, through the ownership of shares of capital stock, partnership interests, membership interests or otherwise, the election of members of the board of directors or other similar governing body of such Person. The holding of a designated percentage of Voting Power of a Person means the ownership of shares of capital stock, partnership interests, membership interests or other interests of such Person sufficient to control exclusively the election of that percentage of the members of the board of directors or similar governing body of such Person.

"Waterfall" means that term as defined in Section 9.8(b) hereof.

"Welfare Plan" means an ERISA Plan that is a "welfare plan" within the meaning of ERISA Section 3(l).

"Wholly-Owned Subsidiary" means any Person, the equity interests of which are one hundred percent (100%) owned (other than, with respect to the ownership of equity interests of Foreign Subsidiaries, such equity interests as are necessary to qualify directors where required by applicable Law or to satisfy other requirements of applicable Law) are at the time owned by DMC Global, directly, or indirectly through other Persons one hundred percent (100%) of whose equity interests are at the time owned, directly or indirectly, by DMC Global.

"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 1.2. Accounting Terms.

(a) Any accounting term not specifically defined in this Article I shall have the meaning ascribed thereto by GAAP.

(b) If any change in the rules, regulations, pronouncements, opinions or other requirements of the Financial Accounting Standards Board (or any successor thereto or agency with similar function) is made with respect to GAAP, or if DMC Global adopts the International Financial Reporting Standards, and such change or adoption results in a change in the calculation of any component (or components in the aggregate) of the financial covenants set forth in Section 5.7 hereof or the related financial definitions, at the option of the Administrative Agent, the Required Lenders or the Administrative Borrower, the parties hereto will enter into good faith negotiations to amend such financial covenants and financial definitions in such manner as the parties shall agree, each acting reasonably, in order to reflect fairly such change or adoption so that the criteria for evaluating the financial condition of the Borrowers shall be the same in commercial effect after, as well as before, such change or adoption is made (in which case the method and calculating such financial covenants and definitions hereunder shall be determined in the manner so agreed); provided that, until so amended, such calculations shall continue to be computed in accordance with GAAP as in effect prior to such change or adoption.

Section 1.3. Terms Generally. The foregoing definitions shall be applicable to the singular and plural forms of the foregoing defined terms. Unless otherwise defined in this Article I, terms that are defined in the U.C.C. are used herein as so defined.

Section 1.4. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

Section 1.5. Confirmation of Recitals. The Borrowers, the Administrative Agent and the Lenders hereby confirm the statements set forth in the recitals of this Agreement and agree that this Agreement amends and restates in its entirety the Original Credit Agreement as set forth in the recitals of this Agreement.

Section 1.6. Rates. The interest rate on Loans denominated in Dollars may be determined by reference to a benchmark rate that is, or may in the future become, the subject of regulatory reform or cessation. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the administration of, submission of, calculation of or any other matter related to the Adjusted Term SOFR Rate, the Adjusted Daily Simple SOFR Rate, any component definition thereof or rates referenced in the definition thereof or any alternative, comparable or successor rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, comparable or successor rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, Adjusted Term SOFR Rate, the Adjusted Daily Simple SOFR Rate or any other Benchmark, or (b) the effect, implementation or composition of any Benchmark Replacement Conforming Changes.

ARTICLE II. AMOUNT AND TERMS OF CREDIT

Section 2.1. Amount and Nature of Credit.

(a) Subject to the terms and conditions of this Agreement, the Lenders, during the Commitment Period and to the extent hereinafter provided, shall make Loans to the Borrowers, participate in Swing Loans made by the Swing Line Lenders to the Borrowers, and issue or participate in Letters of Credit at the request of the Borrowers, in such aggregate amount as the Borrowers shall request pursuant to the Commitment; provided that in no event shall the aggregate principal amount of all Loans and Letters of Credit outstanding under this Agreement be in excess of the Total Commitment Amount.

(b) Each Lender, for itself and not one for any other, agrees to make Loans, participate in Swing Loans, and issue or participate in Letters of Credit, during the Commitment Period, on such basis that, immediately after the completion of any borrowing by the Borrowers or the issuance of a Letter of Credit:

(i) the aggregate outstanding principal amount of Loans made by such Lender (other than Swing Loans made by a Swing Line Lender), when combined with such Lender's pro rata share, if any, of the Letter of Credit Exposure and the Swing Line Exposure, shall not be in excess of the Maximum Amount for such Lender; and

(ii) with respect to each Specific Commitment, the aggregate outstanding principal amount of Loans (other than Swing Loans) made by such Lender with respect to such Specific Commitment shall represent that percentage of the aggregate principal amount then outstanding on all Loans (other than Swing Loans) within such Specific Commitment that shall be such Lender's Applicable Commitment Percentage.

Within such Specific Commitment, each borrowing (other than Swing Loans which shall be risk participated on a pro rata basis) from the Lenders shall be made pro rata according to the respective Applicable Commitment Percentages of the Lenders.

(c) The Loans may be made as Revolving Loans as described in Section 2.2(a) hereof, as the Term Loan as described in Section 2.3 hereof, and as Swing Loans as described in Section 2.2(c) hereof, and Letters of Credit may be issued in accordance with Section 2.2(b) hereof.

Section 2.2. Revolving Credit Commitment.

(a) Revolving Loans. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Revolving Lenders shall make a Revolving Loan or Revolving Loans to a Borrower in such amount or amounts as the Administrative Borrower, through an Authorized Officer, may from time to time request, but not exceeding in aggregate principal amount at any time outstanding hereunder the Revolving Credit Commitment, when such Revolving Loans are combined with the Letter of Credit Exposure and the Swing Line Exposure. The Borrowers shall have the option, subject to the terms and conditions set forth herein, to borrow Revolving Loans maturing on the last day of the Commitment Period, by means of any combination of Base Rate Loans or SOFR Loans. Subject to the provisions of this Agreement, the Borrowers shall be entitled to borrow Revolving Loans, repay the same in whole or in part and re-borrow Revolving Loans hereunder at any time and from time to time during the Commitment Period. The aggregate outstanding amount of all Revolving Loans shall be payable in full on the last day of the Commitment Period.

(b) Letters of Credit.

(i) Letters of Credit. Subject to the terms and conditions of this Agreement, during the Commitment Period, the US Issuing Lender shall, in its own name, on behalf of the Revolving Lenders, issue such Letters of Credit for the account of a Borrower or a Domestic Guarantor of Payment, as the Administrative Borrower may from time to time request. The Administrative Borrower shall not request any Letter of Credit (and the Issuing Lender shall not be obligated to issue any Letter of Credit) if, after giving effect thereto, (A) the Letter of Credit Exposure would exceed the Letter of Credit Commitment, or (B) the Revolving Credit Exposure would exceed the Revolving Credit Commitment. The issuance of each Letter of Credit shall confer upon each Revolving Lender the benefits and liabilities of a participation consisting of an undivided pro rata interest in the Letter of Credit to the extent of such Revolving Lender's Applicable Commitment Percentage.

(ii) Request for Letter of Credit. To request a Letter of Credit, a Borrower, through an Authorized Officer, shall (in all cases) deliver to the Administrative Agent (and to the applicable Issuing Lender, if such Issuing Lender is a Lender other than the applicable Agent) a Letter of Credit Request not later than 11:00 A.M. (Eastern time) three Business Days prior to the date of the proposed issuance of the Letter of Credit. Prior to the issuance of such Letter of Credit, the Administrative Borrower, and any Borrower or Guarantor of Payment for whose account the Letter of Credit is to be issued, shall execute and deliver to the Issuing Lender issuing such Letter of Credit an appropriate application and agreement, being in the standard form of such Issuing Lender for such letters of credit, as amended to conform to the provisions of this Agreement if required by the Administrative Agent. The applicable Agent shall give the applicable Issuing Lender and each Revolving Lender notice of each such request for a Letter of Credit.

(iii) Commercial Documentary Letters of Credit Fees. With respect to each Letter of Credit that shall be a commercial documentary letter of credit and the drafts thereunder, whether issued for the account of a Borrower or a Guarantor of Payment, the Borrower or Guarantor of Payment for whose account such Letter of Credit is to be issued, agree to (A) pay to the applicable Agent, for the pro rata benefit of the Revolving Lenders, a non-refundable commission based upon the face amount of such Letter of Credit, which shall be paid quarterly in arrears, on each Regularly Scheduled Payment Date, in an amount equal to the aggregate sum of the Letter of Credit Fee for such Letter of Credit for each day of such quarter; (B) pay to the Administrative Agent, for the sole benefit of the Issuing Lender issuing such Letter of Credit, an additional Letter of Credit fee, which shall be paid on the date that such Letter of Credit is issued, amended or renewed, at the rate of one-eighth percent (1/8%) of the face amount of such Letter of Credit; and (C) pay to the Issuing Lender issuing such Letter of Credit, such other issuance, amendment, renewal, negotiation, draw, acceptance, telex, courier, postage and similar transactional fees as are customarily charged by such Issuing Lender in respect of the issuance and administration of similar letters of credit under its fee schedule as in effect from time to time.

(iv) Standby Letters of Credit Fees. With respect to each Letter of Credit that shall be a standby letter of credit and the drafts thereunder, if any, whether issued for the account of a Borrower or a Guarantor of Payment for whose account such Letter of Credit is to be issued agree to (A) pay to the applicable Agent, for the

pro rata benefit of the Revolving Lenders, a non-refundable commission based upon the face amount of such Letter of Credit, which shall be paid quarterly in arrears, on each Regularly Scheduled Payment Date, in an amount equal to the aggregate sum of the Letter of Credit Fee for such Letter of Credit for each day of such quarter; (B) pay to the Administrative Agent, for the sole benefit of the Issuing Lender issuing such Letter of Credit, an additional Letter of Credit fee, which shall be paid on each date that such Letter of Credit is issued, amended or renewed at the rate of one-eighth percent (1/8%) of the face amount of such Letter of Credit; and (C) pay to the Issuing Lender issuing such Letter of Credit, such other issuance, amendment, renewal, negotiation, draw, acceptance, telex, courier, postage and similar transactional fees as are customarily charged by such Issuing Lender in respect of the issuance and administration of similar letters of credit under its fee schedule as in effect from time to time.

(v) Refunding of Letters of Credit with Revolving Loans. Whenever a Letter of Credit shall be drawn, the applicable Borrowers shall immediately reimburse the Issuing Lender that issued such Letter of Credit for the amount drawn. In the event that the amount drawn shall not have been reimbursed by the Borrowers within one Business Day of the drawing of such Letter of Credit, at the sole option of the Administrative Agent (and the applicable Issuing Lender, if such Issuing Lender is a Lender other than the applicable Agent), with respect to the Letters of Credit, the Borrowers shall be deemed to have requested a Revolving Loan that is a Base Rate Loan. Such Revolving Loan shall be (1) subject to the provisions of Sections 2.2(a) and 2.6 hereof (other than the requirement set forth in Section 2.6(d) hereof), in the amount drawn, and (2) evidenced by the Revolving Credit Notes (or, if a Lender has not requested a Revolving Credit Note, by the records of the Administrative Agent and such Lender). Each Revolving Lender agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Revolving Lender acknowledges and agrees that its obligation to make a Revolving Loan pursuant to Section 2.2(a) hereof when required by this Section 2.2(b)(v) shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to the Administrative Agent, for the account of the Issuing Lender that issued such Letter of Credit, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not the Revolving Credit Commitment shall have been reduced or terminated. The Borrowers irrevocably authorize and instruct the Administrative Agent to apply the proceeds of any borrowing pursuant to this Section 2.2(b)(v) to reimburse, in full (other than such Issuing Lender's pro rata share of such borrowing), such Issuing Lender for the amount drawn on such Letter of Credit. Each Revolving Lender is hereby authorized to record on its records relating to its Revolving Credit Note (or, if such Revolving Lender has not requested a Revolving Credit Note, its records relating to Revolving Loans) such Revolving Lender's pro rata share of the amounts paid and not reimbursed on the Letters of Credit.

(vi) Participation in Letters of Credit. If, for any reason, the Administrative Agent (and the applicable Issuing Lender if the Issuing Lender is a Lender other than the Administrative Agent) shall be unable to or, in the opinion of the Administrative Agent and the applicable issuing Lender (if the Issuing Lender is a Lender other than the applicable Agent) it shall be impracticable to, convert any amount drawn under a Letter of Credit to a Revolving Loan pursuant to the preceding subsection, the Administrative Agent and the applicable issuing Lender (if the Issuing Lender is a Lender other than the applicable Agent) shall have the right to request that each Revolving Lender fund a participation in the amount due with respect to such Letter of Credit, and the Administrative Agent shall promptly notify each Revolving Lender thereof (by facsimile or email, in each case confirmed by telephone, or by telephone confirmed in writing). Upon such notice, but without further action, the applicable Issuing Lender hereby agrees to grant to each Revolving Lender, and each Revolving Lender hereby agrees to acquire from such Issuing Lender, an undivided participation interest in the amount due with respect to such Letter of Credit in an amount equal to such Revolving Lender's Applicable Commitment Percentage of the principal amount due with respect to such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of such Issuing Lender, such Revolving Lender's ratable share of the amount due with respect to such Letter of Credit (determined in accordance with such Revolving Lender's Applicable Commitment Percentage). Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in the amount due under any Letter of Credit that is drawn but not reimbursed by the Borrowers pursuant to this Section 2.2(b)(vi) shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that each such payment shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not the Revolving Credit Commitment shall have been reduced or terminated. Each Revolving Lender shall comply with its obligation under this Section 2.2(b)(vi) by wire transfer of immediately available funds, in the same manner as provided in Section 2.6 hereof with respect to Revolving Loans. Each Revolving Lender is hereby authorized to record on its records such Revolving Lender's pro rata share of the amounts paid and not reimbursed on the Letters of Credit. Each Issuing Lender hereby agrees to promptly provide the Administrative Agent with all information requested by the Administrative Agent with respect to a Letter of Credit issued by such Issuing Lender.

(c) Swing Loans.

(i) Swing Loans. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Swing Line Lender shall make a Swing Loan or Swing Loans to the Borrowers in such amount or amounts as the Administrative Borrower, through an Authorized Officer, may from time to time request and to which the Swing Line Lender may agree; provided that the Administrative Borrower shall not request any Swing Loan if, after giving effect thereto, (A) the Revolving Credit Exposure would exceed the Revolving Credit Commitment, or (B) the Swing Line Exposure would exceed the Swing Line Commitment. Each Swing Loan shall be due and payable on the Swing Loan Maturity Date applicable thereto. Each Swing Loan shall be made in Dollars.

(ii) Refunding of Swing Loans. If the applicable Swing Line Lender so elects, by giving notice to the Administrative Borrower, the Administrative Agent and the Revolving Lenders, the Borrowers agree that the Administrative Agent shall have the right, in its sole discretion, and the applicable Swing Line Lender (if such Swing Line Lender is a Lender other than the applicable Agent), to require that the then outstanding Swing Loans be refinanced as one or more Revolving Loans. For clarification, the Administrative Borrower shall also have the ability to request that outstanding Swing Loans be refinanced as one or more Revolving Loans. Such Revolving Loan shall be, unless otherwise requested by and available to the applicable Borrowers hereunder, a Base Rate Loan. Upon receipt of such notice by the Administrative Borrower and the Revolving Lenders, the applicable Borrowers shall be deemed, on such day, to have requested a Revolving Loan in the principal amount of such Swing Loan in accordance with Sections 2.2(a) and 2.6 hereof (other than the requirement set forth in Section 2.6(d) hereof). Such Revolving Loan shall be evidenced by the applicable Revolving Credit Notes (or, if a Revolving Lender has not requested the applicable Revolving Credit Note, by the records of the Administrative Agent and such Revolving Lender). Each Revolving Lender agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Revolving Lender acknowledges and agrees that such Revolving Lender's obligation to make a Revolving Loan pursuant to Section 2.2(a) hereof when required by this Section 2.2(c)(ii) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to the applicable Agent, for the account of the Swing Line Lender that made such Swing Loan, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not the Revolving Credit Commitment shall have been reduced or terminated. The Borrowers irrevocably authorize and instruct the applicable Agent to apply the proceeds of any borrowing pursuant to this Section 2.2(c)(ii) to repay in full such Swing Loan. Each Revolving Lender is hereby authorized to record on its records relating to its applicable Revolving Credit Note (or, if such Revolving Lender has not requested the applicable Revolving Credit Note, its records relating to Revolving Loans) such Revolving Lender's pro rata share of the amounts paid to refund such Swing Loan.

(iii) Participation in Swing Loans. If, for any reason, any Swing Line Lender is unable to, or, in the opinion of the Administrative Agent, in consultation with the applicable Swing Line Lender (if such Swing Line Lender is a Lender other than the applicable Agent), it is impracticable to, convert any Swing Loan to a Revolving Loan pursuant to the preceding Section 2.2(c)(ii), then on any day that a Swing Loan is outstanding (whether before or after the maturity thereof), the Administrative Agent, in consultation with the applicable Swing Line Lender (if such Swing Line Lender is a Lender other than the applicable Agent) shall have the right to request that each Revolving Lender fund a participation in such Swing Loan, and the Administrative Agent shall promptly notify each Revolving Lender thereof (by facsimile or electronic communication, in each case confirmed by telephone, or by telephone confirmed in writing). Upon such notice, but without further action, the Swing Line Lender that made such Swing Loan hereby agrees to grant to each Revolving Lender, and each Revolving Lender hereby agrees to acquire from such Swing Line Lender, an undivided participation interest in the right to share in the payment of such Swing Loan in an amount equal to such Revolving Lender's Applicable Commitment Percentage of the principal amount of such Swing Loan. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the applicable Agent, for the benefit of the Swing Line Lender that made such Swing Loan, such Revolving Lender's ratable share of such Swing Loan (determined in accordance with such Revolving Lender's Applicable Commitment Percentage). Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swing Loans pursuant to this Section 2.2(c)(iii) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever, and whether or not the Revolving Credit Commitment shall have been reduced or terminated. Each Revolving Lender shall comply with its obligation under this Section 2.2(c)(iii) by wire transfer of immediately available funds, in the same manner as provided in Section 2.6 hereof with respect to the applicable Revolving Loans to be made by such Revolving Lender.

Section 2.3. Term Loan Commitment. Subject to the terms and conditions of this Agreement, the Term Lenders shall make the Term Loan to the Borrowers on the Closing Date, in the amount of the Term Loan Commitment. The Term Loan shall be payable in consecutive quarterly installments of Three Million Seven Hundred Fifty Thousand Dollars ($3,750,000), commencing March 31, 2022, and continuing on each Regularly Scheduled Payment Date thereafter, with the balance thereof payable in full on the Term Loan Maturity Date. The Administrative Borrower shall notify the Administrative Agent, in accordance with the notice provisions of Section 2.6 hereof, whether the Term Loan will be a Base Rate Loan or a SOFR Loan. Once the Term Loan is made, any portion of the Term Loan repaid may not be re-borrowed. The Term Loan Commitment shall terminate on the date that the Term Loan is made.

Section 2.4. Interest.

(a) Interest on Revolving Loans. The outstanding principal amount of each Revolving Loan shall bear interest at a fluctuating rate per annum that shall at all times be equal to (i) during such periods as such Revolving Loan is a Base Rate Loan, the Derived Base Rate, (ii) during such periods as such Revolving Loan is a Term SOFR Loan, the Derived Term SOFR Rate, and (iii) during such periods as such Revolving Loan is a Daily Simple SOFR Loan, the Derived Daily Simple SOFR Rate.

(b) Swing Loans. The Borrowers shall pay interest to the Administrative Agent, for the sole benefit of the Swing Line Lender (and any Revolving Lender that shall have funded a participation in such Swing Loan), on the unpaid principal amount of each Swing Loan outstanding from time to time from the date thereof until paid at the Derived Base Rate from time to time in effect. Interest on each Swing Loan shall be payable on the Swing Loan Maturity Date applicable thereto. Each Swing Loan shall bear interest for a minimum of one day.

(c) Interest on Term Loans. The outstanding principal amount of the Term Loan shall bear interest at a fluctuating rate per annum that shall at all times be equal to (i) during such periods as such Term Loan is a Base Rate Loan, the Derived Base Rate, (ii) during such periods as such Term Loan is a Term SOFR Loan, the Derived Term SOFR Rate, and (iii) during such periods as such Term Loan is a Daily Simple SOFR Loan, the Derived Daily Simple SOFR Rate.

(d) Default Rate. Anything herein to the contrary notwithstanding, if an Event of Default shall occur and be continuing, upon the election of the Administrative Agent or the Required Lenders and so long as such Event of Default is continuing (i) the principal of each Loan and the unpaid interest thereon shall bear interest, until paid, at the Default Rate, (ii) the fee for the aggregate undrawn amount of all issued and outstanding Letters of Credit shall be increased by two percent (2%) in excess of the rate otherwise applicable thereto, and (iii) in the case of any other amount not paid when due from the Borrowers hereunder or under any other Loan Document, such amount shall bear interest at the Default Rate; provided that, during an Event of Default under Section 8.1 or 8.11 hereof, the applicable Default Rate shall apply without any election or action on the part of the Administrative Agent or any Lender.

(e) Limitation on Interest. In no event shall the rate of interest hereunder exceed the maximum rate allowable by law. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Administrative Borrower for distribution to the Borrowers, as appropriate. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (A) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (B) exclude voluntary prepayments and the effects thereof, and (C) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations.

(f) Accrual and Payment of Interest. The Borrowers shall pay interest on the unpaid principal amount of each Loan outstanding from time to time from the date thereof until paid: (i) in respect of each Base Rate Loan and SOFR Loan, on each Interest Payment Date and in the event of any conversion of any SOFR Loan prior to the end of the Interest Period therefor, accrued interest on such SOFR Loan shall be payable on the effective date of such conversion; and (ii) in respect of all Loans, at maturity (whether by acceleration or otherwise).

Section 2.5. Evidence of Indebtedness.

(a) Revolving Loans. Upon the request of a Revolving Lender, to evidence the obligation of each Borrower to repay the portion of the Revolving Loans made by such Revolving Lender and to pay interest thereon, the Borrowers shall execute a Revolving Credit Note, payable to the order of such Revolving Lender in the principal amount equal to its Applicable Commitment Percentage of the Revolving Credit Commitment, or, if less, the aggregate unpaid principal amount of Revolving Loans made by such Revolving Lender to such Borrower; provided that the failure of a Revolving Lender to request a Revolving Credit Note shall in no way detract from the Borrowers' obligations to such Revolving Lender hereunder.

(b) Swing Loans. Upon the request of the Swing Line Lender, to evidence the obligation of the Borrowers to repay the Swing Loans and to pay interest thereon, the Borrowers shall execute a Swing Line Note, payable to the order of the Swing Line Lender in the principal amount of the Swing Line Commitment, or, if less, the aggregate

unpaid principal amount of Swing Loans made by the Swing Line Lender; provided that the failure of the Swing Line Lender to request a Swing Line Note shall in no way detract from the Borrowers' obligations to the Swing Line Lender hereunder.

(c) Term Loan. Upon the request of a Term Lender, to evidence the obligation of the Borrowers to repay the portion of the Term Loan made by such Term Lender and to pay interest thereon, the Borrowers shall execute a Term Note, payable to the order of such Term Lender in the principal amount of its Applicable Commitment Percentage of the Term Loan Commitment; provided that the failure of such Term Lender to request a Term Note shall in no way detract from the Borrowers' obligations to such Term Lender hereunder.

Section 2.6. Notice of Loans and Credit Events; Funding of Loans.

(a) Notice of Loans and Credit Events. The Administrative Borrower shall provide to the Administrative Agent, through an Authorized Officer, a Notice of Loan prior to (i) 12:00 P.M. (Eastern time) on the proposed date of borrowing of, or conversion of a Loan to, a Base Rate Loan, or (ii) 11:00 A.M. (Eastern time) five Business Days prior to the proposed date of borrowing of, continuation of, or conversion of a Loan to, a SOFR Loan. An Authorized Officer of the Administrative Borrower may verbally request a Loan, so long as a Notice of Loan is received by the end of the same Business Day, and, if the Administrative Agent or any Lender provides funds or initiates funding based upon such verbal request, the Borrowers shall bear the risk with respect to any information regarding such funding that is later determined to have been incorrect. The Borrowers shall comply with the notice provisions set forth in Section 2.2(b) hereof with respect to Letters of Credit.

(b) Funding of Loans. Promptly upon the receipt of a Notice of Loan with respect to a Revolving Loan, and, in any event, by 2:00 P.M. (Eastern time) on the date such Notice of Loan is received, the Administrative Agent shall notify the Revolving Lenders of the date, amount and Interest Period (if applicable) of such Loan. On the date that the Credit Event set forth in such Notice of Loan is to occur, each such Revolving Lender shall provide to the Administrative Agent, not later than 4:00 P.M. (Eastern time), the amount in Dollars. If the Administrative Agent shall elect to advance the proceeds of such Loan prior to receiving funds from such Revolving Lender, the Administrative Agent shall have the right, upon prior notice to the appropriate Borrowers, to debit any account of the appropriate Borrowers or otherwise receive such amount from the appropriate Borrowers, promptly after demand, in the event that such Revolving Lender shall fail to reimburse the Administrative Agent in accordance with this Section 2.6(b). The Administrative Agent shall also have the right to receive interest from such Revolving Lender at the Federal Funds Effective Rate in the event that such Revolving Lender shall fail to provide its portion of the Loan on the date requested and such Agent shall elect to provide such funds.

(c) Conversion and Continuation of Loans.

(i) At the request of the Administrative Borrower to the Administrative Agent, subject to the notice and other provisions of this Agreement, the Lenders shall convert a Base Rate Loan or Daily Simple SOFR Loan to one or more Term SOFR Loans at any time and shall convert a Term SOFR Loan to a Base Rate Loan or a Daily Simple SOFR Loan on any Interest Adjustment Date applicable thereto. Swing Loans may be converted by the applicable Swing Line Lender to Revolving Loans in accordance with Section 2.2(c)(iii) hereof.

(ii) At the request of the Administrative Borrower subject to the notice and other provisions of this Agreement, the Lenders shall continue one or more Term SOFR Loans as of the end of the applicable Interest Period as a new Term SOFR Loan with a new Interest Period; provided that if the Administrative Borrower shall fail to so select the duration of any Interest Period with respect to a Term SOFR Loan at least three Business Days prior to the Interest Adjustment Date applicable to such Term SOFR Loan, the Administrative Borrower shall be deemed to have continued such Term SOFR Loan with a new Interest Period of the same duration at the end of the then current Interest Period.

(d) Minimum Amount. Each request for:

(i) a Base Rate Loan shall be in an amount of not less than Fifty Thousand Dollars ($50,000), increased by increments of Fifty Thousand Dollars ($50,000);

(ii) a SOFR Loan shall be in an amount of not less than One Hundred Thousand Dollars ($100,000), increased by increments of One Hundred Thousand Dollars ($100,000); and

(iii) a Swing Loan shall be in an amount of not less than One Hundred Thousand Dollars ($100,000).

(e) Interest Periods. The Borrowers shall not request that Term SOFR Loans be outstanding for more than six different Interest Periods at the same time, or such higher number of Interest Periods as agreed to in writing by the Administrative Agent.

Section 2.7. Payment on Loans and Other Obligations.

(a) Payments Generally. Each payment made hereunder or under any other Loan Document by a Credit Party shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever.

(b) Payments from Borrowers. With respect to (i) any Loan, or (ii) any other payment to the Administrative Agent and the Lenders that shall not be covered by subsection (b) above, all such payments (including prepayments) to the Administrative Agent of the principal of or interest on such Loan or other payment, including but not limited to principal, interest, fees or any other amount owed by the Borrowers under this Agreement, shall be made in Dollars. All payments described in this subsection (c) shall be remitted to the Administrative Agent, at the address of the Administrative Agent for notices referred to in Section 11.4 hereof for the account of the Lenders (or the appropriate Issuing Lender or the appropriate Swing Line Lender) not later than 1:00 P.M. (Eastern time) on the due date thereof in immediately available funds. Any such payments received by the Administrative Agent (or such Issuing Lender or such Swing Line Lender) after 1:00 P.M. (Eastern time) shall be deemed to have been made and received on the next Business Day.

(c) Payments to Lenders. Upon the applicable Agent's receipt of payments hereunder, such Agent shall immediately distribute to the appropriate Lenders (except with respect to Swing Loans, which shall be paid to the Swing Line Lender making such Swing Loans and any Lender that has funded a participation in such Swing Loans, or, with respect to Letters of Credit, certain of which payments shall be paid to the Issuing Lender issuing such Letter of Credit) their respective ratable shares, if any, of the amount of principal, interest, and commitment and other fees received by such Agent for the account of such Lender. Payments received by the applicable Agent in Dollars shall be delivered to the Lenders in Dollars in immediately available funds. Each appropriate Lender shall record any principal, interest or other payment, the principal amounts of Base Rate Loans, SOFR Loans, Swing Loans and Letters of Credit, all prepayments and the applicable dates, including Interest Periods, with respect to the Loans made, and payments received by such Lender, by such method as such Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of the Borrowers under this Agreement or any Note. The aggregate unpaid amount of Loans, types of Loans, Interest Periods and similar information with respect to

the Loans and Letters of Credit set forth on the records of the Administrative Agent shall be rebuttably presumptive evidence with respect to such information, including the amounts of principal, interest and fees owing to each Lender.

(d) Timing of Payments. Whenever any payment to be made hereunder, including, without limitation, any payment to be made on any Loan, shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next Business Day and such extension of time shall in each case be included in the computation of the interest payable on such Loan; provided that, with respect to a Term SOFR Loan, if the next Business Day shall fall in the succeeding calendar month, such payment shall be made on the preceding Business Day and the relevant Interest Period shall be adjusted accordingly.

Section 2.8. Prepayment.

(a) Right to Prepay.

(i) The Borrowers shall have the right at any time or from time to time to prepay, on a pro rata basis for all of the appropriate Lenders (except with respect to Swing Loans, which shall be paid to the appropriate Swing Line Lender and any Revolving Lender that has funded a participation in such Swing Loan), all or any part of the principal amount of the Loans then outstanding, as designated by the Administrative Borrower. Such payment shall include interest accrued on the amount so prepaid to the date of such prepayment and any amount payable under Article III hereof with respect to the amount being prepaid. Prepayments shall be without any premium or penalty other than any amounts due pursuant to Article III hereof. Each prepayment of the Term Loan and any Additional Term Loan Facility shall be applied to the principal installments thereof in the inverse order of their respective maturities

(ii) The Borrowers shall have the right, at any time or from time to time, to prepay, for the benefit of the appropriate Swing Line Lender (and any Revolving Lender that has funded a participation in such Swing Loan), all or any part of the principal amount of the Swing Loans then outstanding, as designated by the Administrative Borrower, plus interest accrued on the amount so prepaid to the date of such prepayment.

(b) Notice of Prepayment. The Borrowers shall give the Administrative Agent written notice of voluntary prepayments pursuant to this Section 2.8 of (i) a Base Rate Loan or Swing Loan by no later than 1:00 P.M. (Eastern time) on the Business Day on which such prepayment is to be made, and (ii) a SOFR Loan by no later than 1:00 P.M. (Eastern time) three Business Days before the Business Day on which such prepayment is to be made; provided that any such notice of prepayment (other than in respect of a Swing Loan) may state that such notice is conditioned upon (A) the effectiveness of other credit facilities and/or (B) Borrower's receipt of proceeds from another transaction, in which case such notice may be revoked by Borrowers (by written notice to the Administrative Agent, on or prior to the specified effective date of such notice) if such condition is not satisfied.

(c) Minimum Amount. Each prepayment of a SOFR Loan shall be in the principal amount of not less than the lesser of One Hundred Thousand Dollars ($100,000) or the principal amount of such Loan or, with respect to a Swing Loan, the principal balance of such Swing Loan, except in the case of a mandatory payment pursuant to Section 2.12 or Article III hereof.

Section 2.9. Commitment and Other Fees.

(a) Commitment Fee for Revolving Credit Commitment. The Borrowers shall pay to the Administrative Agent, for the ratable account of the Revolving Lenders, as a consideration for the Revolving Credit Commitment, a commitment fee, for each day from the Closing Date through the last day of the Commitment Period, in an amount equal to (i) (A) the Maximum Revolving Amount at the end of such day, minus (B) the Revolving Credit Exposure (exclusive of the Swing Line Exposure) at the end of such day, multiplied by (ii) the Applicable Commitment Fee Rate in effect on such day divided by three hundred sixty (360). The commitment fee shall be payable quarterly in arrears, commencing on December 31, 2021 and continuing on each Regularly Scheduled Payment Date thereafter, and on the last day of the Commitment Period.

(b) Administrative Agent Fee. The Borrowers shall pay to the Administrative Agent, for its sole benefit, the fees set forth in the Administrative Agent Fee Letter.

(c) Appraisal Fees. The Borrowers shall promptly reimburse the Administrative Agent, for its sole benefit, for all costs and expenses relating to any appraisal or other collateral assessment expenses that may be conducted from time to time by or on behalf of the Administrative Agent, the scope and frequency of which shall be in the reasonable discretion of the Administrative Agent; provided that, other than during the continuance of an Event of Default, the Borrowers need not reimburse the Administrative Agent for more than one such appraisal or collateral assessment during the Commitment Period.

(d) Authorization to Debit Account. Each Credit Party hereby agrees that the Administrative Agent has the right to debit from any Deposit Account of one or more Credit Parties, amounts owing to the Administrative Agent and the Lenders by any Borrower under this Agreement and the Loan Documents for payment of fees, expenses and other amounts owing in connection therewith.

Section 2.10. Modifications to Commitment.

(a) Optional Reduction of Commitments. The Borrowers may at any time and from time to time permanently reduce in whole or ratably in part the Maximum Revolving Amount to an amount not less than the then existing Revolving Credit Exposure, by giving the Administrative Agent not fewer than three Business Days' written notice of such reduction, provided that any such partial reduction shall be in an aggregate amount, for all of the Lenders, of not less than One Million Dollars ($1,000,000), increased in increments of Two Hundred Fifty Thousand Dollars ($250,000). The Administrative Agent shall promptly notify each Revolving Lender of the date of each such reduction and such Revolving Lender's proportionate share thereof. After each such partial reduction, the commitment fees payable hereunder shall be calculated upon the Maximum Revolving Amount as so reduced. If the Borrowers reduce in whole the Revolving Credit Commitment, on the effective date of such reduction (the Borrowers having prepaid in full the unpaid principal balance, if any, of the Revolving Loans, together with all interest (if any) and commitment and other fees accrued and unpaid with respect thereto, and provided that no Letter of Credit Exposure or Swing Line Exposure shall exist), all of the Revolving Credit Notes shall be delivered to the Administrative Agent marked "Canceled" and the Administrative Agent shall redeliver such Revolving Credit Notes to the Administrative Borrower. Any partial reduction in the Maximum Revolving Amount shall be effective during the remainder of the Commitment Period. Upon each decrease of the Maximum Revolving Amount, the Total Commitment Amount shall be decreased by the same amount.

(b) Increase in Commitment.

(i) At any time during the Commitment Increase Period, the Borrowers may request that the Administrative Agent increase the Total Commitment Amount by (A) increasing the Maximum Revolving Amount, or (B) adding an additional term loan facility (the "Additional Term Loan Facility") (which Additional Term Loan Facility shall be subject to subsection (c) below); provided that the aggregate amount of all increases made pursuant to this subsection (b) shall not exceed One Hundred Million Dollars ($100,000,000). Each such request for an increase shall be in an amount of at least Ten Million Dollars ($10,000,000), increased by increments of One Million Dollars ($1,000,000), and may be made by either (1) increasing, for one or more Lenders, with their prior written consent, their respective Revolving Credit Commitments (2) adding a new commitment for one or more Lenders, with their prior written consent, with respect to the Additional Term Loan Facility, or (3) including one or more Additional Lenders, each with a new commitment under the Revolving Credit Commitment or the Additional Term Loan Facility, as a party to this Agreement (each an "Additional Commitment" and, collectively, the "Additional Commitments").

(ii) During the Commitment Increase Period, all of the Lenders agree that the Administrative Agent, in its sole discretion, may permit one or more Additional Commitments upon satisfaction of the following requirements: (A) each Additional Lender, if any, shall execute an Additional Lender Assumption Agreement, (B) each Additional Commitment from an Additional Lender, if any, shall be in an amount of at least Ten Million Dollars ($10,000,000), (C) the Administrative Agent shall provide to the Borrowers and each Lender a revised Schedule 1 to this Agreement, including revised Applicable Commitment Percentages for each of the Lenders, if appropriate, at least three Business Days prior to the date of the effectiveness of such Additional Commitments (each an "Additional Lender Assumption Effective Date"), (D) the applicable Borrowers shall (1) deliver to the Administrative Agent the resolutions of the board of directors (or other governing body) of such Borrower, in form and substance reasonably satisfactory to the Administrative Agent, evidencing approval of such increase and the consummation of the transactions contemplated thereby and (2) if requested by the Administrative Agent, deliver to the Administrative Agent an opinion of counsel with respect to such increase, in form and substance reasonably satisfactory to the Administrative Agent, and (E) the applicable Borrowers shall execute and deliver to the Administrative Agent and the Lenders such replacement or additional Notes as shall be required by the Administrative Agent (if Notes have been requested by such Lender or Lenders). The Lenders hereby authorize the Administrative Agent to execute each Additional Lender Assumption Agreement on behalf of the Lenders.

(iii) On each Additional Lender Assumption Effective Date with respect to the Specific Commitment being increased, as appropriate, the Lenders shall make adjustments among themselves with respect to the Loans then outstanding and amounts of principal, interest, commitment fees and other amounts paid or payable with respect thereto as shall be necessary, in the opinion of the Administrative Agent, in order to reallocate among such Lenders such outstanding amounts, based on the revised Applicable Commitment Percentages and to otherwise carry out fully the intent and terms of this Section 2.10(b) (and the appropriate Borrowers shall pay to the Lenders any amounts that would be payable pursuant to Section 3.3 hereof if such adjustments among the Lenders would cause a prepayment of one or more Term SOFR Loans). In connection therewith, it is understood and agreed that the Maximum Amount of any Lender will not be increased (or decreased except pursuant to subsection (a) above) without the prior written consent of such Lender. The Borrowers shall not request any increase in the Total Commitment Amount pursuant to this subsection (b) if a Default or an Event of Default shall then exist, or, after giving pro forma effect to any such increase, would exist. At the time of any such increase, at the request of the Administrative Agent, the Credit Parties and the Lenders shall enter into an amendment to evidence such increase and to address related provisions as deemed necessary or appropriate by the Administrative Agent. Upon the addition of the Additional Term Loan Facility and upon each increase of the Maximum Revolving Amount, the Total Commitment Amount shall be increased by the same amount.

(c) Additional Term Loan Facility.

(i) Each Additional Term Loan Facility (i) shall rank pari passu in right of payment with the Revolving Loans and the Term Loan, (ii) shall not mature earlier than the last day of the Commitment Period (but may have amortization prior to such date), and (iii) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loan and the Term Loan.

(ii) An Additional Term Loan Facility may be added hereunder pursuant to an amendment or restatement (an "Additional Term Loan Facility Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, as appropriate, each Lender providing a commitment with respect to such Additional Term Loan Facility, each Additional Lender providing a commitment with respect to such Additional Term Loan Facility, and the Administrative Agent. Notwithstanding anything herein to the contrary, an Additional Term Loan Facility Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.10(b) and (c) (including, without limitation, amendments to the definitions in this Agreement and Section 9.8 hereof for the purpose of treating such Additional Term Loan Facility pari passu with the other Loans).

Section 2.11. Computation of Interest and Fees. Other than with respect to Base Rate Loans, interest on Loans, Letter of Credit fees, Related Expenses and commitment and other fees and charges hereunder shall be computed on the basis of a year having three hundred sixty (360) days and calculated for the actual number of days elapsed.

Section 2.12. Mandatory Payments.

(a) Revolving Credit Exposure. If, at any time, the Revolving Credit Exposure shall exceed the Revolving Credit Commitment, the Borrowers shall, as promptly as practicable, but in no event later than the next Business Day, pay an aggregate principal amount of the Revolving Loans sufficient to bring the Revolving Credit Exposure within the Revolving Credit Commitment.

(b) Swing Line Exposure. If, at any time, the Swing Line Exposure shall exceed the Swing Line Commitment, the Borrowers shall, as promptly as practicable, but in no event later than the next Business Day, pay an aggregate principal amount of the Swing Loans sufficient to bring the Swing Line Exposure within the Swing Line Commitment.

(c) Mandatory Prepayments. The Borrowers shall, until the Term Loan and the Additional Term Loan Facility, if any, is paid in full, make Mandatory Prepayments (each a "Mandatory Prepayment") in accordance with the following provisions:

(i) Sale of Assets. Upon a Company's receipt of proceeds in respect of the sale or other disposition of any assets by a Company (permitted pursuant to Section 5.12 hereof) to any Person (other than a Credit Party) other than in the ordinary course of business, and, to the extent such proceeds are in excess of One Million Dollars ($1,000,000) during any fiscal year of DMC Global and are not to be reinvested in fixed assets or other similar assets within one hundred eighty (180) days of such sale or other disposition, the Borrowers shall make a Mandatory Prepayment, on the date of such receipt of proceeds (or, if the Borrowers intend to reinvest such proceeds within such one hundred eighty (180) day period but on a later date within such period decide not to do so, on such later date), in an amount equal to one hundred percent (100%) of the proceeds of such disposition net of amounts required to pay taxes and reasonable costs applicable to such sale or disposition.

(ii) Material Recovery Event. Within ten days after the occurrence of a Material Recovery Event, the Administrative Borrower shall furnish to the Administrative Agent written notice thereof. Within thirty (30) days after the Companies' receipt of proceeds in respect of such Material Recovery Event, the Administrative Borrower shall notify the Administrative Agent of the Borrowers' determination as to whether or not to replace, rebuild or restore the affected property (a "Material Recovery Determination Notice"). If the Borrowers decide not to replace, rebuild or restore such property, or if the Borrowers have not delivered the Material Recovery Determination Notice within thirty (30) days after such Material Recovery Event, then the proceeds of insurance received in connection with such Material Recovery Event shall be paid as a Mandatory Prepayment. If the Borrowers decide to replace, rebuild or restore such property, then any such replacement, rebuilding or restoration must be (A) commenced within six months of the date of the Companies' receipt of proceeds in respect of such Material Recovery Event, and (B) substantially completed within twelve (12) months of such commencement date or such longer period of time necessary to complete the work with reasonable diligence and approved in writing by the Administrative Agent, in its reasonable discretion, with such casualty insurance proceeds and other funds available to the appropriate Companies for replacement, rebuilding or restoration of such property. Any amounts of such insurance proceeds in connection with such Material Recovery Event not applied to the costs of replacement or restoration by the end of such twelve (12) month period shall be applied as a Mandatory Prepayment.

(iii) Additional Indebtedness. If, at any time, any of the Companies shall incur Indebtedness other than Indebtedness permitted pursuant to Section 5.8 hereof (which other Indebtedness not permitted pursuant to Section 5.8 hereof shall not be incurred without the prior written consent of the Administrative Agent and the Required Lenders), the Borrowers shall make a Mandatory Prepayment, on the date that such Indebtedness is incurred, in an amount equal to one hundred percent (100%) of the net cash proceeds of such Indebtedness, net of costs and expenses related thereto.

(iv) Additional Equity. Within thirty (30) days after DMC Global's receipt of net cash proceeds in respect of any equity offering (other than (A) the offering or exercise of stock options or other equity awards pursuant to management incentive plans, or (B) an equity offering to finance, or the use of stock to pay all or part of the purchase price for, an Acquisition permitted under Section 5.13 hereof) by DMC Global, the Borrowers shall make a Mandatory Prepayment in an amount equal to one hundred percent (100%) of the net cash proceeds of such equity offering.

(d) Application of Mandatory Prepayments.

(i) Involving a Company Prior to an Event of Default. So long as no Event of Default shall have occurred and be continuing, each Mandatory Prepayment required to be made pursuant to subsection (e) hereof shall be applied (A) first, to the Term Loan, until paid in full, and (B) second, to any Additional Term Loan Facility, until paid in full.

(ii) Involving a Company After an Event of Default. If a Mandatory Prepayment is required to be made pursuant to subsection (e) hereof at any time that an Event of Default shall have occurred and is continuing, then such Mandatory Prepayment shall be paid by the Administrative Borrower to the Administrative Agent to be applied to the following, on a pro rata basis among: (A) the Maximum Revolving Amount (with payments to be made in the following order: Revolving Loans, Swing Loans, and to be held by the Administrative Agent in a special account as security for any Letter of Credit Exposure pursuant to subpart (iii) below), (B) the unpaid principal balance of the Term Loan, and (C) the unpaid principal balance of the Additional Term Loan Facility.

(iii) Involving Letters of Credit. Any amounts to be distributed for application to a Revolving Lender's liabilities with respect to any Letter of Credit Exposure as a result of a Mandatory Prepayment shall be held by the Administrative Agent in an interest bearing trust account (the "Special Trust Account") as collateral security for such liabilities until a drawing on any Letter of Credit, at which time such amounts, together with interest accrued thereon, shall be released by the Administrative Agent and applied to such liabilities. If any such Letter of Credit shall expire without having been drawn upon in full, the amounts held in the Special Trust Account with respect to the undrawn portion of such Letter of Credit, together with interest accrued thereon, shall be applied by the Administrative Agent in accordance with the provisions of subsections (i) and (ii) above.

(e) Mandatory Payments Generally. Unless otherwise designated by the Administrative Borrower, each Mandatory Prepayment made with respect to a Specific Commitment pursuant to Section 2.12(a) or (c) hereof shall be applied in the following order: (i) first, to the outstanding Base Rate Loans, (ii) second, to the outstanding Daily Simple SOFR Loans, and (iii) third, to the outstanding Term SOFR Loans; provided that, in each case, if the outstanding principal amount of any SOFR Loan shall be reduced to an amount less than the minimum amount set forth in Section 2.6(d) hereof as a result of such prepayment, then such SOFR Loan shall be converted into a Base Rate Loan on the date of such prepayment. Any prepayment of a SOFR Loan pursuant to this Section 2.12 shall be subject to the prepayment provisions set forth in Article III hereof. Each Mandatory Prepayment made with respect to the Term Loan or the Additional Term Loan Facility shall be applied to the payments of principal in the inverse order of their respective maturities.

Section 2.13. Cash Collateral. At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or the Issuing Lender (with a copy to the Administrative Agent), the Borrowers shall Cash Collateralize each Issuing Lender's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 11.10(a)(iv) hereof and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(a) Grant of Security Interest. The Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to the Administrative Agent, for the benefit of each Issuing Lender, and agrees to cooperate with the Administrative Agent's reasonable requests to take actions to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of the Letter of Credit Exposure, to be applied pursuant to subsection (b) below. If, at any time, the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and an Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrowers will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by such Defaulting Lender).

(b) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.13 or Section 11.10 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of the Letter of Credit Exposure (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce each Issuing Lender's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.13 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent and such Issuing Lender that there exists excess Cash Collateral; provided that (A) subject to Section 11.10 hereof, the Person providing Cash Collateral and such Issuing Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations, and (B) the extent that such Cash Collateral was provided by the Borrowers, such Cash Collateral shall remain subject to any security interest granted pursuant to the Loan Documents.

Section 2.14. Liability of Borrowers.

(a) Joint and Several Liability. Each Borrower hereby authorizes the Administrative Borrower or any other Borrower to request Loans or Letters of Credit hereunder. Each Borrower acknowledges and agrees that the Administrative Agent and the Lenders are entering into this Agreement at the request of each Borrower and with the understanding that each Borrower is and shall remain fully liable, jointly and severally, for payment in full of the Obligations, as set forth in the Loan Documents and any other amount payable under this Agreement and the other Loan Documents. Each Borrower agrees that it is receiving or will receive a direct pecuniary benefit for each Loan made or Letter of Credit issued hereunder.

(b) Appointment of Administrative Borrower. Each Borrower hereby irrevocably appoints the Administrative Borrower or any other Borrower as the borrowing agent and attorney-in-fact for all Borrowers, which appointment shall remain in full force and effect unless and until the Administrative Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed the Administrative Borrower. Each Borrower exempts the Administrative Borrower from the restrictions of self-dealing and multi-representation pursuant to section 181 of the German Civil Code and similar restrictions applicable to it under any other applicable law (in each case to the extent legally possible). Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower or any other Borrower to (i) provide the Administrative Agent with all notices with respect to Loans and Letters of Credit obtained for the benefit of any Borrower and all other notices and instructions under this Agreement, (ii) take such action as the Administrative Borrower or such Borrower deems appropriate on its behalf to obtain Loans and Letters of Credit, and (iii) exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement. It is understood that the handling of the Collateral of the Borrowers in a combined fashion, as more fully set forth herein, is done solely as an accommodation to the Borrowers in order to utilize the collective borrowing powers of the Borrowers in the most efficient and economical manner and at their request, and that neither the Administrative Agent nor any Lender shall incur liability to any Borrower as a result of such handling of the Collateral of the Borrowers in a combined fashion. Each Borrower expects to derive benefit, directly or indirectly, from the handling of the Collateral in a combined fashion since the successful operation of each Borrower is dependent on the continued successful performance of the integrated group.

(c) Maximum Liability of Each Subsidiary Borrower and Rights of Contribution. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, in no event shall the maximum liability of any Subsidiary Borrower exceed the maximum amount that (after giving effect to the incurring of the obligations hereunder and to any rights to contribution of such Borrower from other Affiliates of such Borrower) would not render the rights to payment of the Administrative Agent and the Lenders hereunder void, voidable or avoidable under any applicable fraudulent transfer law (including with respect to Section 2.14(d) hereof). The Borrowers hereby agree as among themselves that, in connection with the payments made hereunder, each Subsidiary Borrower shall have a right of contribution from each other Borrower in accordance with applicable law. Such contribution rights shall be waived until such time as the Secured Obligations have been irrevocably paid in full (other than contingent indemnification obligations as to which no claim has been asserted), and no Borrower shall exercise any such contribution rights until the Secured Obligations have been irrevocably paid in full (other than contingent indemnification obligations as to which no claim has been asserted).

(d) Swap Obligations Keepwell Provision. Each Borrower, that is an "eligible contract participant" as defined in the Commodity Exchange Act, hereby jointly and severally, absolutely, unconditionally and irrevocably, undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party in order for such Credit Party to honor its obligations under the Loan Documents in respect of the Swap Obligations. The obligations of each such Borrower under this Section 2.14(d) shall remain in full force and effect until all Secured Obligations are paid in full (other than contingent indemnification obligations as to which no claim has been asserted). The Borrowers intend that this Section 2.14(d) constitute, and this Section 2.14(d) shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

(e) Waivers of Each Borrower. In the event that any obligation of any Borrower under this Agreement is deemed to be an agreement by such Borrower to answer for the debt or default of another Credit Party or as an hypothecation of property as security therefor, each Borrower represents and warrants that (i) no representation has been made to such Borrower as to the creditworthiness of such other Credit Party, and (ii) such Borrower has established adequate means of obtaining from such other Credit Party on a continuing basis, financial or other information pertaining to such other Credit Party's financial condition. Each Borrower expressly waives, except as expressly required under this Agreement, diligence, demand, presentment, protest and notice of every kind and nature whatsoever, consents to the taking bythe Administrative Agent and the Lenders of any additional security of another Credit Party for the obligations secured hereby, or the alteration or release in any manner of any security of another Credit Party now or hereafter held in connection with the Obligations, and consents that the Administrative Agent, the Lenders and any other Credit Party may deal with each other in connection with such obligations or otherwise, or alter any contracts now or hereafter existing between them, in any manner whatsoever, including without limitation the renewal, extension, acceleration or changes in time for payment of any such obligations or in the terms or conditions of any security held. The Administrative Agent and the Lenders are hereby expressly given the right, at their option, to proceed in the enforcement of any of the Obligations independently of any other remedy or security they may at any time hold in connection with such obligations secured and it shall not be necessary for the Administrative Agent and the Lenders to proceed upon or against or exhaust any other security or remedy before proceeding to enforce their rights against such Borrower. Each Borrower further waives any right of subrogation, collection, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect of sums paid to the Administrative Agent and the Lenders by any other Credit Party until such time as the Commitment has been terminated and the Secured Obligations have been repaid in full (other than contingent indemnification obligations as to which no claim has been asserted).

(f) [Reserved.]

Section 2.15. Addition of a Borrower.

(a) Addition of a Domestic Subsidiary Borrower. At the request of the Administrative Borrower (with at least seven days prior written notice to the Administrative Agent and the Lenders), a Wholly-Owned Subsidiary of DMC Global that is a Domestic Subsidiary (that shall not then be a Domestic Subsidiary Borrower) may become a Domestic Subsidiary Borrower hereunder, provided that all of the following requirements shall have been met to the satisfaction of the Administrative Agent:

(i) Additional Borrower Assumption Agreement. Each Borrower and such Domestic Subsidiary shall have executed and delivered to the Administrative Agent a fully executed Additional Borrower Assumption Agreement. The Administrative Agent is hereby authorized by the Lenders to enter into such Additional Borrower Assumption Agreement on behalf of the Lenders.

(ii) Notes as Requested. Each Borrower shall have executed and delivered to (A) each Revolving Lender requesting a replacement Revolving Credit Note such Revolving Lender's replacement Revolving Credit Note, and (B) the Swing Line Lender a replacement Swing Line Note, if requested by the Swing Line Lender.

(iii) Security Documents. Such Domestic Subsidiary shall have executed and delivered to the Administrative Agent, for the benefit of the Lenders, such Security Documents as are substantially equivalent to the Security Documents entered into by the then-existing Domestic Subsidiary Borrowers hereunder.

(iv) Lien Searches. With respect to such Domestic Subsidiary, the Borrowers shall have caused to be delivered to the Administrative Agent (A) the results of Uniform Commercial Code lien searches substantially equivalent to the Uniform Commercial Code lien searches delivered in respect of the then-existing Domestic Subsidiary Borrowers hereunder, in such new Domestic Subsidiary Borrower's jurisdiction of organization, (B) the results of federal and state tax lien and judicial lien searches and pending litigation and bankruptcy searches, substantially equivalent to the applicable lien searches delivered in respect of the then-existing Domestic Subsidiary Borrowers hereunder, in the appropriate jurisdictions, as applicable, and (C) Uniform Commercial Code termination statements reflecting termination of all Uniform Commercial Code Financing Statements previously filed by any Person and not expressly permitted pursuant to Section 5.9 hereof.

(v) Officer's Certificate, Resolutions, Organizational Documents, Legal Opinion. The Borrowers shall have provided (A) to the Administrative Agent such corporate governance and authorization documents and an opinion of counsel substantially equivalent to those delivered in respect of the then-existing Domestic Subsidiary Borrowers hereunder, and any other documents and items as may be deemed necessary or advisable by the Administrative Agent, all of the foregoing to be in form and substance reasonably satisfactory to the Administrative Agent, and (B) to each Lender any documentation and other information reasonably requested by such Lender that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations.

(vi) Miscellaneous. The Borrowers and such Domestic Subsidiary shall have provided to the Administrative Agent such other items and shall have satisfied such other conditions as may be required by the Administrative Agent, provided that such items and conditions are reasonably equivalent to the items required of and conditions imposed on the then-existing Domestic Subsidiary Borrowers hereunder.

(b) Additional Credit Party Bound by Provisions. Upon satisfaction by the Administrative Borrower and any such Subsidiary of the requirements set forth in subsection (a) above, the Administrative Agent shall promptly notify the Administrative Borrower and the Lenders, whereupon such Subsidiary shall be designated a "Borrower" pursuant to the terms and conditions of this Agreement, and such Subsidiary shall become bound by all representations, warranties, covenants, provisions and conditions of this Agreement and each other Loan Document applicable to the Borrowers as if such Borrower had been the original party making such representations, warranties and covenants; provided that any representations and warranties made or deemed made by such Borrower shall be deemed to have been made only as of the date of such designation and such later dates that such representations and warranties are expressly deemed to be remade hereunder.

(c) Alternative Structures. The Administrative Agent, the Lenders and Borrowers agree that, if the addition of a Foreign Guarantor of Payment pursuant to this Section 2.15 would result in a requirement by such Foreign Guarantor of Payment to pay to any Lenders additional amounts pursuant to Section 3.2 hereof, then the Administrative Agent, the Lenders and the Borrowers agree to use reasonable efforts to designate a different lending office or otherwise propose an alternate structure that would avoid the need for, or reduce the amount of, such additional amounts so long as the same would not, in the judgment of the Administrative Agent and the Lenders, be otherwise disadvantageous to the Administrative Agent and the Lenders.

Section 2.16. Addition of a Foreign Guarantor of Payment. With respect to any first-tier Foreign Subsidiary (other than a Dormant Subsidiary), on or after the Closing Date, the Administrative Agent shall at all times, in the discretion of the Administrative Agent or the Required Lenders, have the right to require that such Foreign Subsidiary execute and deliver a Guaranty of Payment (and (i) any documentation and other information requested by any Lender that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations and (ii) any other documentation, including an opinion of local counsel, required by the Administrative Agent with respect to enforceability of such Guaranty of Payment in the applicable foreign jurisdiction, provided that such other documentation is substantially equivalent to the documentation required of then-existing Foreign Subsidiaries that are Guarantors of Payment hereunder) with respect to the Obligations.

ARTICLE III. INCREASED COSTS; ILLEGALITY; INABILITY TO DETERMINE RATES; TAXES

Section 3.1. Requirements of Law.

(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 (except any reserve requirement reflected in the Adjusted Daily Simple SOFR Rate or Adjusted Term SOFR Rate) or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in subparts (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on any Loan, Letter of Credit, or commitment or other obligation hereunder, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the Issuing Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrowers shall pay to such Lender, promptly after receipt of a written request therefor, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection (a), such Lender shall promptly notify the Administrative Borrower (with a copy to the Administrative Agent) of the event with reasonable detail by reason of which it has become so entitled.

(b) If any Lender shall have determined that, after the Closing Date, any Change in Law regarding capital adequacy or liquidity, or liquidity requirements, or in the interpretation or application thereof by a Governmental Authority or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) from any Governmental Authority shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder, or under or in respect of any Letter of Credit, to a level below that which such Lender or such corporation could have achieved but for such Change in Law (taking into consideration the policies of such Lender or such corporation with respect to capital adequacy and liquidity), then from time to time, upon submission by such Lender to the Administrative Borrower (with a copy to the Administrative Agent) of a written request therefor (which shall include the method for calculating such amount and reasonable detail with respect to such calculation), the Borrowers shall promptly pay or cause to be paid to

such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) For purposes of this Section 3.1 and Section 3.5(a) hereof, the Dodd-Frank Act, any requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) under Basel III, and any rules, regulations, orders, requests, guidelines and directives adopted, promulgated or implemented in connection with any of the foregoing, regardless of the date adopted, issued, promulgated or implemented, are deemed to have been introduced and adopted after the Closing Date.

(d) A certificate as to any additional amounts payable pursuant to this Section 3.1 submitted by any Lender to the Administrative Borrower (with a copy to the Administrative Agent) shall be rebuttably presumptive evidence as to such additional amounts. In determining any such additional amounts, such Lender may use any method of averaging and attribution that it (in its sole discretion) shall deem applicable. The obligations of the Borrowers pursuant to this Section 3.1 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 3.2. Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the reasonable discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Credit Party, then the Administrative Agent or such Credit Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Credit Party or the Administrative Agent shall be required by the Code or any other applicable Law to withhold or deduct any Taxes, including United States federal backup withholding, United States withholding taxes and non-United States withholding taxes, from any payment, then (A) such Credit Party or the Administrative Agent as required by the Code or such Laws shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Credit Party or the Administrative Agent, to the extent required by the Code or such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code or such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that, after any required withholding or the making of all required deductions (including deductions and withholdings applicable to additional sums payable under this Section 3.2), the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Credit Parties. Without limiting the provisions of subsection (a) above, the Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or, at the option of the Administrative Agent, timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Credit Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.2) payable or paid by such Recipient, or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Administrative Borrower by a Lender or the Issuing Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Lender, shall be conclusive absent manifest error.

(ii) Each Lender and the Issuing Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten (10) days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the Issuing Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and, without limiting the obligation of the Credit Parties to do so), (B) the Administrative Agent and the Credit Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.9(d) hereof relating to the maintenance of a Participant Register, and (C) the Administrative Agent and the Credit Parties, as applicable, against any Excluded Taxes attributable to such Lender or the Issuing Lender, in each case, that are payable or paid by the Administrative Agent or a Credit Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the Issuing Lender hereby authorize the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the Issuing lender, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this subpart (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority, as provided in this Section 3.2, the Borrowers shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Administrative Borrower and the Administrative Agent, at the time or times reasonably requested by the Administrative Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Administrative 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 Administrative Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Administrative Borrower or the Administrative Agent as will enable the Administrative 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 3.2(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if, in the Lender's reasonable judgment, such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense, or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that a Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrowers 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 written request of the Borrowers or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Administrative 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 Administrative 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 (y) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty, and (z) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (y) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate"), and (z) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and other certification documents from each beneficial owner, as applicable; provided that if, the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate, substantially in the form of Exhibit I-4 hereto 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 Administrative 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 Administrative Borrower or the Administrative Agent), executed copies (or originals, as required) of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Administrative 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 Borrowers and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrowers 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 Borrowers or the Administrative Agent as may be necessary for the Borrowers 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 subpart (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if, any form or certification it previously delivered pursuant to this Section 3.2 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Administrative Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the Issuing Lender, or have any obligation to pay to any Lender or the Issuing Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the Issuing Lender, as the case may be. If any Recipient determines, in its sole but reasonable discretion, that it has received a refund of any Taxes as to which it has been indemnified by any Credit Party or with respect to which any Credit Party has paid additional amounts pursuant to this Section 3.2, it shall pay to such Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under this Section 3.2 with respect to the Taxes giving rise to such refund); net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Credit Party, upon the request of the Recipient, agrees to repay the amount paid over to such Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to such Credit Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Credit Party or any other Person. For purposes of this Section 3.2(f), a "refund" includes any credit that reduces a Recipient's tax liability and produces a tax savings actually realized by such Recipient.

(g) Survival. Each party's obligations under this Section 3.2 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the Issuing Lender, the termination of the Commitment and the repayment, satisfaction or discharge of all other Obligations.

Section 3.3. Breakage Compensation. The Borrowers shall compensate each Lender upon its written request (which request shall set forth the detailed basis for requesting and the method of calculating such compensation), for all reasonable losses, costs, expenses and liabilities (including, without limitation, any loss, cost, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its Term SOFR Loans) which such Lender may sustain in connection with any of the following: (i) if for any reason (other than a default by such Lender) borrowing of the Term SOFR Loans does not occur on a date specified therefor in a Notice of Loan (whether or not withdrawn by the Borrowers or deemed withdrawn pursuant to Section 3.1 hereof); (ii) if any repayment, prepayment, conversion or continuation of any Term SOFR Loan occurs on a date that is not the last day of an Interest Period applicable thereto; (iii) if any prepayment of any of its Term SOFR Loans is not made on any date specified in a notice of prepayment given by the Administrative Borrower; (iv) as a result of an assignment by such Lender of any Term SOFR Loan other than on the last day of the Interest Period applicable thereto pursuant to a request by the Administrative Borrower or (v) as a consequence of (A) any other default by the Borrowers to repay or prepay any Term SOFR Loans when required by the terms of this Agreement or (B) an election made pursuant to Section 3.1 hereof. The written request of a Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 3.3 shall be delivered to the Administrative Borrower and shall be conclusive absent manifest error. The Borrowers shall pay the Administrative Agent the amount shown as due on any such request within ten (10) days after receipt thereof.

Section 3.4. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 3.1 or 3.2(a) hereof with respect to such Lender, it will, if requested by the Administrative Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office (or an Affiliate of such Lender, if practical for such Lender) for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage; and provided, further, that nothing in this Section shall affect or postpone any of the obligations of any Borrower or the rights of any Lender pursuant to Section 3.1 or 3.2(a) hereof.

Section 3.5. SOFR Rate Lending Unlawful; Inability to Determine Rate.

(a) If the Administrative Agent determines that any applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to Adjusted Daily Simple SOFR, after the Adjusted Term SOFR Rate or SOFR, or to determine or charge interest rates based upon Adjusted Daily Simple SOFR, the Adjusted Term SOFR Rate or SOFR, then, upon notice thereof to the Administrative Borrower, (a) any obligation of Lenders to make or continue SOFR Loans or to convert Base Rate Loans to SOFR Loans shall be suspended, and (b) the Base Rate shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted Term SOFR Rate component of Base Rate, in each case until the Administrative Agent notifies the Administrative Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) the Administrative Borrower shall, upon demand from the Administrative Agent, prepay or, if applicable, convert all SOFR Loans to Base Rate Loans (and in such case the Base Rate shall, if necessary to avoid such illegality, be determined by Lender without reference to the Adjusted Term SOFR Rate component of Base Rate), (A) on the Interest Payment Date therefor, if the Administrative Agent may lawfully continue to maintain such SOFR Loans to such day, or immediately, if the Administrative Agent may not lawfully continue to maintain such SOFR Loans or (B) on the last day of the Interest Period therefor if the Administrative Agent may lawfully continue to maintain such SOFR Loans to such day, or immediately, if the Administrative Agent may not lawfully continue to maintain such SOFR Loans and (ii) the Administrative Agent shall during the period of such suspension compute the Base Rate without reference to the Adjusted Term SOFR Rate component thereof until it is no longer illegal for the Administrative Agent to determine or charge interest rates based upon Adjusted Daily Simple SOFR Rate or the Adjusted Term SOFR Rate. Upon any such conversion, the Borrowers shall also pay any additional amounts required pursuant to Section 3.3 hereof.

(b) If the Administrative Agent determines (which determination shall be conclusive and binding on the Borrowers) that "Adjusted Daily Simple SOFR Rate" or "Adjusted Term SOFR Rate" cannot be determined pursuant to the definition thereof other than due to a Benchmark Transition Event, the Administrative Agent will promptly so notify the Administrative Borrower. Upon notice thereof by the Administrative Agent to the Administrative Borrower, (i) any obligation of the Lenders to make or continue SOFR Loans or to convert Base Rate Loans to SOFR Loans shall be suspended, (ii) all SOFR Loans shall be immediately converted to Base Rate Loans (and in such case the Base Rate shall be determined by Lender without reference to the Adjusted Term SOFR Rate component of Base Rate) and (iii) the component of Base Rate based upon the Adjusted Term SOFR Rate will not be used in any determination of Base Rate until Lender revokes such notice. Upon receipt of such notice, the Administrative Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans or, failing that, will be deemed to have converted such request into a request for Base Rate Loans in the amount specified therein. Upon any such conversion, the Borrowers shall also pay any additional amounts required pursuant to Section 3.3 hereof.

(c) If the Administrative Agent determines (which determination shall be conclusive and binding on Borrower) that the "Adjusted Daily Simple SOFR Rate" or the "Adjusted Term SOFR Rate" cannot be determined pursuant to the definition thereof as a result of a Benchmark Transition Event, the Administrative Agent will promptly so notify the Administrative Borrower, and the provisions of Section 3.8 hereof shall be applicable. Upon notice thereof by the Administrative Agent to the Administrative Borrower, (i) any obligation of the Lenders to make or continue SOFR Loans or to convert Base Rate Loans to SOFR Loans shall be suspended, (ii) all SOFR Loans shall be immediately converted to Base Rate Loans (and in such case the Base Rate shall be determined by the Administrative Agent without reference to the Adjusted Term SOFR Rate component of Base Rate) and (iii) the component of Base Rate based upon Adjusted Term SOFR Rate will not be used in any determination of Base Rate. Upon receipt of such notice, the Administrative Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans or, failing that, will be deemed to have converted such request into a request for Base Rate Loans in the amount specified therein. Unless and until the Administrative Agent and the Borrowers have amended this Agreement to provide for a Benchmark Replacement in accordance with Section 3.8 hereof, all Loans shall be Base Rate Loans.

Section 3.6. Replacement of Lenders. The Administrative Borrower shall be permitted to replace any Lender that requests reimbursement for amounts owing pursuant to Section 3.1 or 3.2(a) hereof, or asserts its inability to make a SOFR Loan pursuant to Section 3.5 hereof; provided that (a) such replacement does not conflict with any Law, (b) no Default or Event of Default shall have occurred and be continuing at the time of such replacement, (c) prior to any such replacement, such Lender shall have taken no action under Section 3.4 hereof so as to eliminate the continued need for payment of amounts owing pursuant to Section 3.1 or 3.2(a) hereof or, if it has taken any action, such request has still been made, (d) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement and assume all commitments and obligations of such replaced Lender, (e) the appropriate Borrowers shall be liable to such replaced Lender under Section 3.3 hereof if any SOFR Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (f) the replacement Lender, if not already a Lender, shall be an Eligible Assignee, (g) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 11.9 hereof (provided that the Borrowers (or the succeeding Lender, if such Lender is willing) shall be obligated to pay the assignment fee referred to therein), and (h) until such time as such replacement shall be consummated, the appropriate Borrowers shall pay all additional amounts (if any) required pursuant to Section 3.1 or 3.2(a) hereof, as the case may be; provided that a Lender shall not be required to make any such assignment if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to replace such Lender cease to apply.

Section 3.7. Discretion of Lenders as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, each Lender shall be entitled to fund and

maintain its funding of all or any part of such Lender's Loans in any manner such Lender deems to be appropriate; it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if such Lender had actually funded and maintained each Term SOFR Loan during the applicable Interest Period for such Loan through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the Term SOFR Loan, for such Interest Period.

Section 3.8. Effect of Benchmark Transition Event.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document (and any swap agreement shall be deemed not to be a "Loan Document" for purposes of this Section 3.8), upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrowers may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has provided notice thereof to the Administrative Borrower and each Lender. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 3.8 will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and each Lender of (i) the implementation of any Benchmark Replacement, and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 3.8, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.8.

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

(e) Benchmark Unavailability Period. Upon the Administrative Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Administrative Borrower may revoke any request for a borrowing utilizing the then-current Benchmark (including, if the then-current Benchmark is SOFR Rate or Term SOFR Rate)) of, conversion to or continuation of Loans utilizing the then-current Benchmark (including, if the then-current Benchmark is the SOFR Rate or Term SOFR Rate) to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark, SOFR Rate or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

ARTICLE IV. CONDITIONS PRECEDENT

Section 4.1. Conditions to Each Credit Event. The obligation of the Lenders, the Issuing Lenders and the Swing Line Lenders to participate in any Credit Event shall be conditioned, in the case of each Credit Event, upon the following:

(a) all conditions precedent as listed in Section 4.2 hereof required to be satisfied prior to the first Credit Event shall have been satisfied prior to or as of the first Credit Event;

(b) the Administrative Borrower shall have submitted a Notice of Loan (or with respect to a Letter of Credit, complied with the provisions of Section 2.2(b)(iii) hereof) and otherwise complied with Section 2.6 hereof;

(c) no Default or Event of Default shall then exist or immediately after such Credit Event would exist;

(d) each of the representations and warranties contained in Article VI hereof shall be true and correct in all material respects (or, as to any representations and warranties which are subject to a materiality or Material Adverse Effect qualifier, true and correct in all material respects) as if made on and as of the date of such Credit Event, except to the extent that any thereof expressly relate to an earlier date, in which case they shall be true and correct in all material respects (or, as to any representations and warranties which are subject to a materiality or Material Adverse Effect qualifier, true and correct in all respects) as of such earlier date; and Each request by the Administrative Borrower or any other Borrower for a Credit Event shall be deemed to be a representation and warranty by the Borrowers as of the date of such request as to the satisfaction of the conditions precedent specified in subsections (c), (d) and (e) above.

Section 4.2. Conditions to the First Credit Event. The Borrowers shall cause the following conditions to be satisfied on or prior to the Closing Date. The obligation of the Lenders, the Issuing Lenders and the Swing Line Lenders to participate in the first Credit Event is subject to the Borrowers satisfying each of the following conditions prior to or concurrently with such Credit Event:

(a) Notes. The Borrowers shall have executed and delivered to (i) each Revolving Lender requesting a Revolving Credit Note such Revolving Lender's Revolving Credit Note, (ii) each Term Lender requesting a Term Note such Term Lender's Term Note, and (iii) the Swing Line Lender the Swing Line Note, if requested by the Swing Line Lender.

(b) Guaranty of Payment and Security Agreement. Each Domestic Guarantor of Payment shall have executed and delivered to the Administrative Agent, for the benefit of the Lenders, a Guaranty of Payment, in form and substance satisfactory to the Administrative Agent and the Lenders. Each Domestic Guarantor of Payment shall have executed and delivered to the Administrative Agent, for the benefit of the Lenders, a Security Agreement, in form and substance satisfactory to the Administrative Agent and the Lenders.

(c) Pledge Agreements. Each Borrower and each Domestic Guarantor of Payment that has a Subsidiary shall have (i) executed and delivered to the Administrative Agent, for the benefit of the Lenders, a Pledge Agreement, in form and substance satisfactory to the Administrative Agent, with respect to the Pledged Securities, (ii) executed and delivered to the Administrative Agent, for the benefit of the Lenders, appropriate transfer powers for each of the Pledged Securities that are certificated, (iii) delivered to the Administrative Agent, for the benefit of the Lenders, the Pledged Securities (to the extent such Pledged Securities are certificated), and (iv) delivered to the Administrative Agent any other documentation (including legal opinions from foreign counsel) reasonably required by the Administrative Agent regarding the perfection of the security interest of the Administrative Agent, for the benefit of the Lenders, in such Pledged Securities.

(d) Intellectual Property Security Agreements. Each Domestic Credit Party that owns intellectual property federally registered under the laws of the United States shall have executed and delivered to the Administrative Agent, for the benefit of the Lenders, an Intellectual Property Security Agreement, in form and substance satisfactory to the Administrative Agent and the Lenders.

(e) Real Estate Matters. With respect to each parcel of the Mortgaged Real Property owned by a Credit Party, the Borrowers shall have delivered to the Administrative Agent evidence to the Administrative Agent's satisfaction in its sole discretion that no portion of such Mortgaged Real Property is located in a Special Flood Hazard Area or is otherwise classified as Class A or Class BX on the Flood Maps maintained by the Federal Emergency Management Agency.

(f) Lien Searches. With respect to each Credit Party and its property, the Borrowers shall have caused to be delivered to the Administrative Agent (i) the results of Uniform Commercial Code lien searches (or other searches as appropriate in the applicable foreign jurisdiction), reasonably satisfactory to the Administrative Agent, (ii) the results of federal and state tax lien and judicial lien searches and pending litigation and bankruptcy searches (or other searches as appropriate in the applicable foreign jurisdiction), reasonably satisfactory to the Administrative Agent, and (iii) Uniform Commercial Code termination statements reflecting termination of all U.C.C. Financing Statements (or other searches as appropriate in the applicable foreign jurisdiction) previously filed by any Person and not expressly permitted pursuant to Section 5.9 hereof.

(g) Officer's Certificate, Resolutions, Organizational Documents. The Borrowers shall have delivered to the Administrative Agent an officer's certificate (or comparable domestic or foreign documents) certifying the names of the officers of each Credit Party authorized to sign the Loan Documents, together with the true signatures of such officers and certified copies of (i) the resolutions of the board of directors (or comparable domestic or foreign documents) of such Credit Party evidencing approval of the execution, delivery and performance of the Loan Documents and the execution, delivery and performance of other Related Writings to which such Credit Party is a party, and the consummation of the transactions contemplated thereby, and (ii) the Organizational Documents of such Credit Party.

(h) Good Standing and Full Force and Effect Certificates. The Borrowers shall have delivered to the Administrative Agent a good standing certificate or full force and effect certificate (or comparable domestic or foreign document, if neither certificate is available in the applicable jurisdiction), as the case may be, for each Credit Party, issued as of a recent date by the Secretary of State (or applicable government official or office) in the state or states (or other jurisdiction) where such Credit Party is (i) incorporated or formed and, (ii) with respect to each Domestic Credit Party, qualified as a foreign entity to the extent such Credit Party has material operations or assets in such foreign jurisdiction.

(i) Legal Opinions. The Borrowers shall have delivered to the Administrative Agent opinions of counsel for each Credit Party, in form and substance satisfactory to the Administrative Agent and the Lenders.

(j) Insurance Certificates. The Borrowers shall have delivered to the Administrative Agent certificates of insurance on ACORD 25 and 27 or 28 form and proof of endorsements satisfactory to the Administrative Agent and the Lenders, providing for adequate real property, personal property and liability insurance for each Company, with the Administrative Agent, on behalf of the Lenders, listed as, lender's loss payee and additional insured, as appropriate.

(k) Acquisition Documents. Borrower shall have provided to the Administrative Agent copies of the material Arcadia Acquisition Documents, certified by a Financial Officer as true and complete, including evidence that the Arcadia Acquisition has been consummated, contemporaneously with the making of the first Credit Event, in accordance with the terms of the Arcadia Acquisition Documents and in compliance with applicable Law and regulatory approvals, all in form and substance reasonably satisfactory to the Administrative Agent.

(l) Administrative Agent Fee Letter, Closing Fee Letter and Other Fees. The Borrowers shall have (i) executed and delivered to the Administrative Agent, the Administrative Agent Fee Letter and paid to the Administrative Agent, for its sole account, the fees stated therein that are due and payable on the Closing Date, (ii) executed and delivered to the Administrative Agent, the Closing Fee Letter and paid to the Administrative Agent, for the benefit of the Lenders, the fees stated therein to be due and payable on the Closing Date, and (iii) paid all reasonable legal fees and reasonable expenses of the Administrative Agent in connection with the preparation and negotiation of the Loan Documents.

(m) Closing Certificate. The Borrowers shall have delivered to the Administrative Agent and the Lenders an officer's certificate certifying that, as of the Closing Date, (i) all conditions precedent set forth in Sections 4.1 and 4.2 hereof have been satisfied, (ii) the Leverage Ratio (after giving effect to the Arcadia Acquisition and the initial Loans on the Closing Date) is no greater than 3.00 to 1.00, (iii) no Default or Event of Default exists or immediately after the first Credit Event will exist and (iv) each of the representations and warranties contained in Article VI hereof are true and correct as of the Closing Date.

(n) Letter of Direction. The Administrative Borrower shall have delivered to the Administrative Agent a letter of direction authorizing the Administrative Agent, on behalf of the Lenders, to disburse the proceeds of the Loans, which letter of direction includes the authorization to transfer funds under this Agreement and the wire instructions that set forth the locations to which such funds shall be sent.

(o) No Material Adverse Change. Other than as disclosed in any public filing, there shall not have occurred any change, development, or event that has or would reasonably be expected to have a material adverse effect on the operations, business, properties or condition (financial or otherwise) of the Companies, taken as a whole, since December 31, 2020.

(p) KYC Information. Upon the reasonable request of any Lender at least five (5) days prior to the Closing Date, the Borrowers shall have provided to such Lender (i) the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, and (ii) if any Credit Party qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification, in form and substance satisfactory to the Administrative Agent.

(q) Arcadia Credit Agreement. The Borrowers shall have delivered to the Administrative Agent an executed payoff statement with respect to any loan facility between Arcadia and Union Bank, N.A., and shall have terminated any such agreement which termination shall be deemed to have occurred upon payment in full of all of the Indebtedness outstanding thereunder and termination of the commitments established therein.

(r) Deposit Accounts. The Companies (other than Arcadia and its Subsidiaries) shall close each Deposit Account (other than with respect to Deposit Accounts permitted to remain open pursuant to the terms of Section 5.21(d) hereof) maintained by a Company (other than Arcadia and its Subsidiaries) at any financial institution other than the Administrative Agent.

(s) Miscellaneous. The Borrowers shall have provided to the Administrative Agent and the Lenders such other items and shall have satisfied such other conditions as may be reasonably required by the Administrative Agent or the Lenders.

Section 4.3. Post-Closing Conditions. On or before each of the dates specified in this Section 4.3 (unless a longer period is agreed to in writing by the Administrative Agent), the Borrowers shall satisfy each of the following items specified in the subsections below:

(a) Foreign Guaranty of Payment. Within 30 days after the Closing Date, each Foreign Guarantor of Payment shall have executed and delivered to the Administrative Agent, for the benefit of the Lenders, a Guaranty of Payment, along with accompanying corporate documentation consistent with those being delivered pursuant to Sections 4.2(g) and (h) hereof, and appropriate legal opinions, each in form and substance satisfactory to the Administrative Agent.

(b) Collateral Access Agreements. Within 60 days after the Closing Date, the Borrowers shall deliver a Collateral Access Agreement, each in form and substance satisfactory to the Administrative Agent, for each location of each Credit Party where any of the collateral securing any part of the Obligations is located, unless (i) such location is owned by the Company that owns the collateral located there, (ii) a Collateral Access Agreement is already in place covering such location pursuant to the Original Credit Agreement, or (iii) a Collateral Access Agreement would not otherwise be required pursuant to Section 5.21(e) hereof.

(c) Deposit Accounts. Within 60 days after the Closing Date, Arcadia and its Subsidiaries shall close each Deposit Account (other than with respect to Deposit Accounts permitted to remain open pursuant to the terms of Section 5.21(d) hereof) maintained by Arcadia and its Subsidiaries at any financial institution other than the Administrative Agent.

(d) Real Estate Matters. Within 60 days after the Closing Date, with respect to each parcel of the Mortgaged Real Property owned by a Credit Party, the Borrowers shall have delivered to the Administrative Agent:

(i) the results of title and lien searches of such Mortgaged Real Property records for the county in which such Mortgaged Real Property is located;

(ii) an executed original of the Mortgage (or amendment to an existing Mortgage) with respect to such Mortgaged Real Property; and

(iii) an opinion of counsel with respect to such Mortgaged Real Property, in form and substance satisfactory to Lender.

ARTICLE V. COVENANTS

Section 5.1. Insurance. Each Company shall at all times maintain insurance upon its Inventory, Equipment and other personal and real property (including, if applicable, flood insurance as required pursuant to Section 5.29 hereof) in such form, written by such companies, in such amounts, for such periods, and against such risks as is generally consistent with insurance coverage maintained by the Companies on the Closing Date, with provisions satisfactory to the Administrative Agent for, with respect to Domestic Credit Parties, payment of all losses thereunder to the Administrative Agent, for the benefit of the Lenders, and such Company as their interests may appear (with lender's loss payable and additional insured endorsements, as appropriate, in favor of the Administrative Agent, for the benefit of the Lenders), and, if required by the Administrative Agent after the occurrence of an Event of Default, the Borrowers shall deposit the policies with the Administrative Agent. Any such Domestic Credit Party's policies of insurance shall provide for no fewer than thirty (30) days prior written notice of cancellation (or ten (10) days in the case of cancellation for non-payment) to the Administrative Agent and the Lenders. Any sums received by the Administrative Agent, for the benefit of the Lenders, in payment of insurance losses, returns, or unearned premiums under the policies shall be applied as set forth in Section 2.12(d) and (e) hereof. The Administrative Agent is hereby authorized to act as attorney-in-fact for the Companies, after the occurrence and during the continuance of an Event of Default, in obtaining, adjusting, settling and canceling such insurance and indorsing any drafts. In the event of failure to provide such insurance as herein provided, the Administrative Agent may, at its option, provide such insurance and the Borrowers shall pay to the Administrative Agent, upon demand, the cost thereof. Should the Borrowers fail to pay such sum to the Administrative Agent upon demand, interest shall accrue thereon, from the date of demand until paid in full, at the Default Rate. Within ten days of the Administrative Agent's written request, the Borrowers shall furnish to the Administrative Agent such information about the insurance of the Companies as the Administrative Agent may from time to time reasonably request, which information shall be prepared in form and detail reasonable satisfactory to the Administrative Agent and certified by a Financial Officer as being true and correct in all material respects.

Section 5.2. Money Obligations. Each Company shall pay in full (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate provisions have been established in accordance with GAAP) for which it may be or become liable or to which any or all of its properties may be or become subject; (b) in the case of each Domestic Credit Party, all of its material wage obligations to its employees in compliance with the Fair Labor Standards Act (29 U.S.C. §§ 206-207) or any comparable provisions, and, in the case of the Foreign Guarantors of Payment, those obligations under foreign Laws with respect to employee source deductions, obligations and employer obligations to its employees; and (c) all of its other material obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which adequate provisions have been established in accordance with GAAP) before such payment becomes overdue.

Section 5.3. Financial Statements and Information.

(a) Quarterly Financials. The Borrowers shall deliver to the Administrative Agent, within forty-five (45) days after the end of each of the first three quarterly periods of each fiscal year of DMC Global (or, if earlier, within five days after the date on which DMC Global shall be required to submit its Form 10-Q), balance sheets of the Companies as of the end of such period and statements of income (loss), stockholders' equity and cash flow for the quarter and fiscal year to date periods, all prepared on a Consolidated basis (in accordance with GAAP subject to year-end adjustments and the absence of footnotes), and certified by a Financial Officer as being true and correct in all

material respects; provided that such financial statements shall be deemed to have been delivered on the date they are made available on the SEC EDGAR website or on DMC Global's website, whichever occurs first.

(b) Annual Audit Report. The Borrowers shall deliver to the Administrative Agent, within ninety (90) days after the end of each fiscal year of DMC Global (or, if earlier, within five days after the date on which DMC Global shall be required to submit its Form 10-K), an annual audit report of the Companies for that year prepared on a Consolidated (in accordance with GAAP) basis, and certified by an unqualified opinion of an independent public accountant of recognized national standing, which report shall include balance sheets and statements of income (loss), stockholders' equity and cash-flow for that period; provided that such financial statements shall be deemed to have been delivered on the date they are made available on the SEC EDGAR website or on DMC Global's website, whichever occurs first.

(c) Compliance Certificate. The Borrowers shall deliver to the Administrative Agent, concurrently with the delivery of the financial statements set forth in subsections (a) and (b) above, a Compliance Certificate.

(d) Management Reports. The Borrowers shall deliver to the Administrative Agent, concurrently with the delivery of the quarterly and annual financial statements set forth in subsections (a) and (b) above, a copy of any formal management report, letter or comparable analysis prepared by the Companies' accountants in respect of the systems, operations, financial condition or properties of the Companies.

(e) Annual Budget. The Borrowers shall deliver to the Administrative Agent, within thirty (30) days after the end of each fiscal year of DMC Global (beginning with the fiscal year of DMC Global ended December 31, 2022), an annual budget of the Companies for the then current fiscal year, to be in form and detail reasonably satisfactory to the Administrative Agent.

(f) Insurance Report. The Borrowers shall deliver to the Administrative Agent, within ninety (90) days after the end of each fiscal year of DMC Global, an insurance coverage report of the Companies, to be in form and detail reasonably satisfactory to the Administrative Agent.

(g) Stockholder and SEC Documents. The Borrowers shall deliver to the Administrative Agent and the Lenders, promptly after their preparation, copies of all proxy statements, financial statements and reports that DMC Global sends to its stockholders, and copies of all periodic and special reports and registration statements that DMC Global files with the SEC; provided that such reports, statements and other documents shall be deemed to have been delivered on the date they are made available on the SEC EDGAR website or on DMC Global's website, whichever occurs first.

(h) Financial Information of the Companies. The Administrative Borrower shall deliver to the Administrative Agent, within ten days of the written request of the Administrative Agent, such other information about the financial condition, properties and operations of any Company as the Administrative Agent may from time to time reasonably request, which information shall be submitted in form and detail reasonably satisfactory to the Administrative Agent and certified by a Financial Officer of the Company or Companies in question as being true and correct in all material respects.

Section 5.4. Financial Records. Each Company shall at all times maintain true and complete records and books of account, including, without limiting the generality of the foregoing, appropriate provisions for possible losses and liabilities, all in accordance with GAAP, and at all reasonable times (during normal business hours and upon reasonable notice to such Company) permit the Administrative Agent, or any representative of the Administrative Agent, to examine such Company's books and records and to make excerpts therefrom and transcripts thereof; provided that so long as no Event of Default is continuing, the Companies shall only be required to reimburse the Administrative Agent for the cost of one such inspection in any fiscal year.

Section 5.5. Franchises; Change in Business.

(a) Each Company (other than a Dormant Subsidiary) shall preserve and maintain at all times its existence, and its rights and franchises necessary for its business, except as otherwise permitted pursuant to Section 5.12 hereof.

(b) No Company shall engage in any business if, as a result thereof, the general nature of the business of the Companies taken as a whole would be substantially changed from the general nature of the business the Companies are engaged in on the Closing Date.

Section 5.6. ERISA Pension and Benefit Plan Compliance. No Company shall incur any material accumulated funding deficiency within the meaning of ERISA, or any material liability to the PBGC, established thereunder in connection with any ERISA Plan. The Borrowers shall furnish to the Administrative Agent and the Lenders (i) as soon as possible and in any event within thirty (30) days after any Company knows or has reason to know that any Reportable Event with respect to any ERISA Plan has occurred, a statement of a Financial Officer of such Company, setting forth details as to such Reportable Event and the action that such Company proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the PBGC if a copy of such notice is available to such Company, and (ii) promptly after receipt thereof a copy of any notice such Company, or any member of the Controlled Group may receive from the PBGC or the IRS with respect to any ERISA Plan administered by such Company; provided that this latter subpart shall not apply to notices of general application promulgated by the PBGC or the IRS. The Borrowers shall promptly notify the Administrative Agent of any material taxes assessed, proposed to be assessed or that the Borrowers have reason to believe may be assessed against a Company by the IRS with respect to any ERISA Plan. As used in this Section 5.6, "material" means the measure of a matter of significance that shall be determined as being an amount equal to five percent (5%) of Consolidated Net Worth. As soon as practicable, and in any event within twenty (20) days, after any Company shall become aware that a material ERISA Event shall have occurred, such Company shall provide the Administrative Agent with notice of such ERISA Event with a certificate by a Financial Officer of such Company setting forth the details of the event and the action such Company or another Controlled Group member proposes to take with respect thereto. The Borrowers shall, at the request of the Administrative Agent, deliver or cause to be delivered to the Administrative Agent true and correct copies of any documents relating to the ERISA Plan of any Company.

Section 5.7. Financial Covenants.

(a) Leverage Ratio. The Borrowers shall not suffer or permit at any time the Leverage Ratio to exceed (i) 3.50 to 1.00 as of the last day of each of the fiscal quarters ending December 31, 2021 and March 31, 2022, (ii) 3.25 to 1.00 as of the last day of each of the fiscal quarters ending June 30, 2022, September 30, 2022, December 31, 2022 and March 31, 2023, and (iii) 3.00 to 1.00 as of the last day of the fiscal quarter ending June 30, 2023 and as of the last day of each fiscal quarter ending thereafter.

(b) Debt Service Coverage Ratio. The Borrowers shall not suffer or permit at any time the Debt Service Coverage Ratio to be less than 1.35 to 1.00.

Section 5.8. Borrowing. No Company shall create, incur or have outstanding any Indebtedness of any kind; provided that this Section 5.8 shall not apply to the following:

(a) the Loans, the Letters of Credit and any other Indebtedness under this Agreement;

(b) any loans granted to, or Capitalized Lease Obligations entered into by, any Company for the purchase or lease of fixed assets (and refinancings of such loans or Capitalized Lease Obligations), which loans and Capitalized Lease Obligations shall only be secured by the fixed assets being purchased or leased, so long as the aggregate principal amount of all such loans and Capitalized Lease Obligations for all Companies shall not exceed Ten Million Dollars ($10,000,000) at any time outstanding;

(c) the Indebtedness existing on the Closing Date, in addition to the other Indebtedness permitted to be incurred pursuant to this Section 5.8, as set forth in Schedule 5.8 hereto (and any extension, renewal or refinancing thereof but only to the extent that the principal amount thereof does not increase after the Closing Date);

(d) Indebtedness of any Person in existence on the date on which such Person becomes a Company, so long as (i) such Indebtedness is not incurred or created in connection with such Person becoming a Company, (ii) no other Company has any obligation with respect to such Indebtedness, (iii) none of the properties of the Companies thereof is bound with respect to such Indebtedness and (iv) the aggregate principal amount of all such Indebtedness permitted by this subpart (d) shall not exceed Ten Million Dollars ($10,000,000) at any time outstanding;

(e) loans to, and guaranties of Indebtedness of, a Credit Party from any other Credit Party;

(f) Indebtedness owed by any Subsidiary of any Credit Party to any Credit Party and guarantees by any Credit Party of the Indebtedness of any such Subsidiary, so long as the principal amount of such Indebtedness and guarantees, when combined with the principal amount of Indebtedness owed to any Credit Party pursuant to Section 5.8(h) hereof, does not exceed an aggregate amount of Ten Million Dollars ($10,000,000) at any time outstanding; provided that no additional such Indebtedness shall be incurred and no additional such guarantees shall be made during the continuance of an Event of Default;

(g) Indebtedness owed by any Company that is not a Credit Party to any other Company that is not a Credit Party and guarantees by any such Company of the Indebtedness of any other Company that is not a Credit Party;

(h) Indebtedness of any Subsidiary of any Credit Party to the holders (or their respective Affiliates) of the equity interests in such Subsidiary on a basis that is substantially proportionate to their equity interests (with any disproportionately large interest received by any Credit Party or any of its respective Subsidiaries or any disproportionately small interest received by any Person other than such Credit Party or any such Subsidiary, being ignored for this purpose), so long as the principal amount of such Indebtedness owed to any Credit Party, when combined with the principal amount of Indebtedness owed to any Credit Party pursuant to Section 5.8(f) hereof, does not exceed an aggregate amount of Ten Million Dollars ($10,000,000) at any time outstanding; provided that no additional such Indebtedness shall be incurred during the continuance of an Event of Default;

(i) Indebtedness under any Hedge Agreement, so long as such Hedge Agreement shall have been entered into in the ordinary course of business and not for speculative purposes;

(j) Indebtedness in respect of (i) deposits made by customers and held under forward purchasing arrangements entered into with customers in the ordinary course of business, (ii) performance, bid, surety, appeal or similar bonds or completion or performance guarantees provided in the ordinary course of business, (iii) workers' compensation claims or self-insurance obligations otherwise permitted hereunder, in each case incurred in the ordinary course of business (including, indebtedness relating to any part-time worker arrangements in accordance with the German Act on Part-Time Retirement (*Altersteilzeitgesetz*) or pursuant to section 7e of part IV of the German Social Security Code (*Sozialgesetzbuch* IV)) and (iv) past due accounts payable being contested in accordance with Section 5.2 hereof;

(k) customary indemnification, reimbursement or similar obligations and warranties under leases and other contracts in the ordinary course of business;

(l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within two Business Days after incurrence;

(m) Indebtedness constituting investments permitted by Section 5.11 hereof;

(n) Indebtedness owed by any Company to any Person that is a Lender or an Affiliate of a Lender at the time such Indebtedness is incurred in respect of loans in currencies other than Dollars and guarantees of any such Indebtedness by any Foreign Guarantor of Payment, so long as (i) the aggregate principal amount of Indebtedness permitted by this subpart (o) shall not exceed the equivalent amount of Ten Million Dollars ($10,000,000) calculated as of the date such Indebtedness is incurred and (ii) such Lender or such Affiliate and the Administrative Agent shall have entered into an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent;

(o) Indebtedness of any Foreign Subsidiary owing to Commerzbank Aktiengesellschaft in an aggregate principal amount not to exceed Ten Million Euros (€10,000,000) at any time outstanding;

(p) guarantees by DMC Global of contractual obligations of its Subsidiaries entered into in the ordinary course of business not constituting borrowed money;

(q) Indebtedness incurred in connection with an Acquisition permitted hereunder, provided that (i) such Indebtedness is denominated in currencies other than Dollars, and (ii) the aggregate principal amount of such Indebtedness does not exceed Ten Million Dollars ($10,000,000) at any time outstanding; and

(r) other unsecured Indebtedness, in addition to the Indebtedness listed above, in an aggregate principal amount for all Companies not to exceed Ten Million Dollars ($10,000,000) at any time outstanding.

Section 5.9. Liens. No Company shall create, assume or suffer to exist (upon the happening of a contingency or otherwise) any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided that this Section 5.9 shall not apply to the following:

(a) Liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves shall have been

established in accordance with GAAP;

(b) other statutory Liens, including, without limitation, statutory Liens of landlords, carriers, warehousers, utilities, mechanics, repairmen, workers and materialmen, incidental to the conduct of its business or the ownership of its property and assets that (i) were not incurred in connection with the incurring of Indebtedness or the obtaining of advances or credit, and (ii) do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;

(c) any Lien granted to the Administrative Agent, for the benefit of the Lenders (and any Affiliates thereof);

(d) the Liens existing on the Closing Date as set forth in Schedule 5.9 hereto and replacements, extensions, renewals, refundings or refinancings thereof, but only to the extent that the amount of debt secured thereby, and the amount and description of property subject to such Liens, shall not be increased;

(e) purchase money Liens on fixed assets securing the loans and Capitalized Lease Obligations pursuant to Section 5.8(b) hereof, provided that such Liens are limited to the purchase price and only attaches to the property being acquired;

(f) Liens in favor of any Credit Party securing Indebtedness permitted under Section 5.8(e) and (f) hereof; provided that any such Liens encumbering assets of a Credit Party shall be subordinated in right of payment to the Secured Obligations of such Credit Party under the Loan Documents on terms reasonably acceptable to the Administrative Agent;

(g) Liens on the Collateral in favor of any Lender or any Affiliate of any Lender in respect of Indebtedness permitted under Section 5.8(n) hereof; provided that such Liens are pari passu with the Liens securing the Obligations and subject to the intercreditor agreement described in Section 5.8(n) hereof;

(h) [Reserved];

(i) Liens on the assets of any Foreign Subsidiary securing Indebtedness permitted under Section 5.8(q) hereof, so long as such assets are not Collateral;

(j) [Reserved];

(k) judgment liens in respect of judgments that do not constitute an Event of Default under Section 8.8 hereof;

(l) easements or other minor defects or irregularities in title of real property not interfering in any material respect with the use of such property in the business of any Company;

(m) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities or arising under the general business conditions of a bank or financial institution in respect of normal banking arrangements of a Company (including any Lien under general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*));

(n) Liens in connection with workers' compensation, professional liability insurance, insurance programs, unemployment insurance and other social security and other similar legislation or other insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements and Liens for any obligations of Company relating to any part- time worker arrangements in accordance with the German Act on Part-Time Retirement (*Altersteilzeitgesetz*) or pursuant to section 7e of part IV of the German Social Security Code (*Sozialgesetzbuch* IV));

(o) other Liens, in addition to the Liens listed above, not incurred in connection with the incurring of Indebtedness, securing amounts, in the aggregate for all Companies, not to exceed One Million Dollars ($1,000,000) at any time; or

(p) Liens incurred pursuant to the Citibank Factoring Agreement, the MUFG Factoring Agreement or the Schlumberger Factoring Agreement, in each case so long as there is no credit recourse to any Company with respect to such accounts receivable after such sale, except in the case of a breach by a Company of any Asset Representation (as defined in the Citibank Factoring Agreement) or any Asset Representation (as defined in the Schlumberger Factoring Agreement) with respect to any such receivable.

No Company shall enter into any contract or agreement (other than a contract or agreement entered into in connection with the purchase or lease of fixed assets that prohibits Liens on such fixed assets) that would prohibit the Administrative Agent or the Lenders from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of such Company.

Section 5.10. Regulations T, U and X. No Company shall take any action that would result in any non-compliance of the Loans or Letters of Credit with Regulations T, U or X, or any other applicable regulation, of the Board of Governors of the Federal Reserve System.

Section 5.11. Investments, Loans and Guaranties. No Company shall (a) create, acquire or hold any Subsidiary, (b) make or hold any investment in any stocks, bonds or securities of any kind, (c) be or become a party to any joint venture or other partnership, (d) make or keep outstanding any advance or loan to any Person, or (e) be or become a Guarantor of any kind (other than a Guarantor of Payment under the Loan Documents); provided that this Section 5.11 shall not apply to the following:

(i) any endorsement of a check or other medium of payment for deposit or collection through normal banking channels or similar transaction in the normal course of business;

(ii) any investment in direct obligations of the United States or in certificates of deposit issued by a member bank (having capital resources in excess of Five Hundred Million Dollars ($500,000,000)) of the Federal Reserve System;

(iii) any investment in commercial paper or securities that at the time of such investment is assigned the highest quality rating in accordance with the rating systems employed by either Moody’s or Standard & Poor’s;

(iv) the holding of each of the Subsidiaries listed on Schedule 6.1 hereto, and the creation, acquisition and holding of and any investment in any new Subsidiary after the Closing Date so long as such new Subsidiary shall have been created, acquired or held, and investments made, in accordance with the terms and conditions of this Agreement;

(v) investments as of the Closing Date listed on Schedule 5.11 hereof, and any extensions, renewals, replacements or refinancings thereof that do not increase the amount of such investments;

(vi) investments by any Credit Party in any Company that is not a Credit Party and in any joint venture that is not, and will not become, a Subsidiary, in each case, that is engaged or will be engaged in the same business as the Companies and businesses reasonably related thereto and other reasonable expansions and extensions of such business and businesses; provided that the aggregate amount of all investments permitted under this subpart (vi) shall not exceed an aggregate amount of Twenty Million Dollars ($20,000,000) at any time outstanding, of which no more than Fifteen Million Dollars ($15,000,000) may be outstanding in any such joint ventures, in each case, measured in Dollars at the time made and net of any cash returned to any Credit Party. For purposes of calculating the permitted investments under this subpart (vi), any such investments that are in the form of Indebtedness permitted under Section 5.8(g) and (i) hereof shall be included in the investments permitted under this subpart (vi), without duplication. Notwithstanding the foregoing, no additional investments shall be made pursuant to this subpart (vi) during the continuance of an Event of Default;

(vii) investments by any Credit Party in any other Credit Party and investments permitted by Section 5.8(f) hereof;

(viii) investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the granting of trade credit in the ordinary course of business;

(ix) investments by any Company that is not a Credit Party in, to, or for the benefit of any Company that is not a Credit Party;

(x) investments not otherwise permitted by this Section 5.11 in aggregate amount not to exceed One Million Dollars ($1,000,000) at any time outstanding;

(xi) investments constituting Indebtedness permitted by Section 5.8, investments constituting transactions permitted by Sections 5.12(a) or (g) hereof, investments received as consideration from any disposition permitted by Section 5.12 hereof, and investments constituting Acquisitions permitted by Section 5.13 hereof;

(xii) investments received in satisfaction of judgments, settlements of accounts, debts or compromises of obligations or as consideration for the settlement, release or surrender of a contract, tort or other litigation claims, in each case in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or

(xiii) prepaid expenses and advances in the ordinary course of business, and lease, utility, workers' compensation, performance and other similar deposits in the ordinary course of business.

For purposes of this Section 5.11, the amount of any investment in equity interests shall be based upon the initial amount invested and shall not include any appreciation in value or return on such investment but shall take into account repayments, redemptions and return of capital.

Section 5.12. Merger and Sale of Assets. No Company shall merge, amalgamate or consolidate with any other Person, or sell, lease or transfer or otherwise dispose of any assets to any Person other than in the ordinary course of business, except that, if no Default or Event of Default shall then exist or immediately thereafter shall begin to exist:

(a) a Company may merge, amalgamate or consolidate with any other Company; provided that (i) if one of such Companies is a Credit Party, the Credit Party shall be the continuing or surviving Person, (ii) if one of such Companies is a Borrower, a Borrower shall be the continuing or surviving Person, and (iii) if one of such Companies is DMC Global, DMC Global shall be the continuing or surviving Person;

(b) a Credit Party may sell, lease, transfer or otherwise dispose of any of its assets to another Credit Party;

(c) a Company that is not a Credit Party may sell, lease, transfer or otherwise dispose of any of its assets to any other Company;

(d) a Company (other than a Borrower) may be dissolved, provided that, if such Company is a Credit Party, all assets of such Company shall have been transferred to another Credit Party;

(e) a Company may sell, lease, transfer or otherwise dispose of any assets that are obsolete or no longer useful in such Company's business;

(f) any disposition (excluding any disposition consisting of any equity interest in any of the Subsidiaries of DMC Global) of assets if (i) the consideration therefor is not less than the fair market value of the related asset (as determined in good faith by a Financial Officer) and (ii) after giving effect thereto, the aggregate fair market value of the assets as reasonably determined by DMC Global disposed of in all dispositions pursuant to this subpart (f) would not exceed Five Million Dollars ($5,000,000) during any fiscal year of DMC Global and Fifteen Million ($15,000,000) in the aggregate during the term of this Agreement; provided that the consideration for any disposition shall consist of at least seventy-five percent (75%) cash or Cash Equivalents payable at closing;

(g) dispositions of indebtedness from DMC Global to a Subsidiary thereof that is a Credit Party or from a Subsidiary of DMC Global that is a Credit Party to DMC Global or another Subsidiary thereof that is a Credit Party in exchange for, upon conversion for, or in contribution in respect of, equity interests in such Subsidiary of DMC Global in connection with the capitalization or recapitalization from time to time of any such Subsidiary and dispositions of Indebtedness from a Subsidiary that is not a Credit Party to another Subsidiary that is not a Credit Party in exchange for, upon conversion for, or contribution in respect of, equity interests in such Subsidiary that is not a Credit Party in connection with the capitalization or recapitalization from time to time of any such Subsidiary;

(h) dispositions occurring as the result of a casualty event, condemnation or expropriation;

(i) payment of Restricted Payments permitted by Section 5.15 hereof;

(j) the Companies may sell accounts receivable pursuant to the Citibank Factoring Agreement, so long as there is no credit recourse to any Company with respect to such accounts receivable after such sale, except in the case of a breach by a Company of any Asset Representation (as defined in the Citibank Factoring Agreement) with respect to any such receivable;

(k) the Companies may sell accounts receivable pursuant to the MUFG Factoring Agreement, so long as there is no credit recourse to any Company with respect to such accounts receivable after such sale; and

(l) the Companies may sell accounts receivable pursuant to the Schlumberger Factoring Agreement, so long as there is no credit recourse to any Company with respect to such accounts receivable after such sale, except in the case of a breach by a Company of any Asset Representation (as defined in the Schlumberger Factoring Agreement) with respect to any such receivable.

Section 5.13. Acquisitions. No Company shall effect an Acquisition; provided that (a) DMC Global may consummate the Arcadia Acquisition on the Closing Date and may enter into the other transactions contemplated by Section 5.15(d) hereof in accordance with the terms thereof, and (b) a Company may effect any other Acquisition so long as:

(i) in the case of an Acquisition that involves a merger, amalgamation or other combination including a Borrower, such Borrower shall be the surviving entity and, in all cases, DMC Global shall be a surviving entity;

(ii) in the case of an Acquisition that involves a merger, amalgamation or other combination including a Credit Party (other than a Borrower), a Credit Party shall be the surviving entity;

(iii) the business to be acquired shall be similar or related to the lines of business of the Companies;

(iv) no Default or Event of Default shall exist prior to or, after giving pro forma effect to such Acquisition, thereafter shall begin to exist;

(v) such Acquisition is not actively opposed by the board of directors (or similar governing body) of the selling Persons or the Persons whose equity interests are to be acquired;

(vi) the Leverage Ratio, calculated on a pro forma basis for the most recently ended trailing four-quarter period giving effect to such Acquisition, shall be less than 3.00 to 1.00 (provided that, if the Leverage Ratio requirement pursuant to Section 5.7(a) hereof then in effect is less than 3.25 to 1.00, then the Leverage Ratio shall be at least one-quarter turn (.25x) below the Leverage Ratio covenant requirement pursuant to Section 5.7(a) then in effect);

(vii) if the aggregate Consideration for an anticipated Acquisition is greater than Twenty-Five Million Dollars ($25,000,000), and one or more Companies have previously consummated an Acquisition permitted hereunder after the Closing Date the aggregate Consideration for which was in excess of Twenty-Five Million Dollars ($25,000,000), the Companies shall have received the written consent of the Administrative Agent and the Required Lenders with respect to such anticipated Acquisition; and

(viii) in the case of an Acquisition with an aggregate Consideration greater than Ten Million Dollars ($10,000,000), or the equivalent in such other currency used in connection with such Acquisition, DMC Global shall (A) have delivered to the Administrative Agent and the Lenders at least ten (10) Business Days prior written notice of any such proposed Acquisition, which notice shall (1) contain the estimated date such proposed Acquisition is scheduled to be consummated, (2) attach a true and correct copy of the draft purchase agreement (if available), letter of intent, description of material terms or similar agreements executed by the parties thereto in connection with such proposed Acquisition, (3) contain the estimated aggregate Consideration of such proposed Acquisition and the estimated amount of related costs and expenses and the intended method of financing thereof, (4) contain historical financial statements of the target entity and a pro forma financial statement of the Companies, (5) contain the estimated amount of Loans required to effect such proposed Acquisition and (6) be accompanied by an officer's certificate executed by a Financial Officer, certifying as to compliance with the requirements of this Section 5.13 and containing the calculation required in subpart (vi) above; and (B) provide any such other information regarding the Acquisition as the Administrative Agent may request.

Section 5.14. Notice. Each Borrower shall cause a Financial Officer of such Borrower to promptly notify the Administrative Agent and the Lenders, in writing, whenever any of the following shall occur:

(a) a Default or Event of Default may occur hereunder;

(b) a Borrower receives written notice of any litigation or proceeding against such Borrower before a court, administrative agency or arbitrator that, if successful, would reasonably be expected to have a Material Adverse Effect;

(c) the approval by the shareholders or directors of DMC Global of the acquisition of ownership or voting control, directly or indirectly, beneficially (within the meaning of Rules 13d-3 and 13d-5 of the Exchange Act) or of record, by any Person or group (within the meaning of Sections 13d and 14d of the Exchange Act), of shares representing more than thirty-five percent (35%) of the aggregate ordinary Voting Power represented by the issued and outstanding equity interests of DMC Global; and

(d) any event or occurrence which has or would reasonably be expected to have a Material Adverse Effect on such Borrower.

Section 5.15. Restricted Payments. No Company shall make or commit itself to make any Restricted Payment at any time, except that:

(a) DMC Global may make Capital Distributions pursuant to and in accordance with any stock option plans or other benefit plans for management (including non-employee directors) or employees of any Company in an aggregate amount not to exceed Five Million Dollars ($5,000,000) during any fiscal year of DMC Global; provided that the foregoing cap shall not apply to any such Capital Distribution made pursuant to the terms and provisions of that certain DMC Global Inc. Amended and Restated Nonqualified Deferred Compensation Plan, effective as of August 30, 2017, and in each case of such Capital Distribution only to the extent resulting from a vested deferral or diversification of a Restricted Stock Award (as defined therein) by an eligible employee thereunder;

(b) DMC Global may make Capital Distributions (other than Capital Distributions permitted pursuant to subpart (c) below) so long as (i) no Default or Event of Default shall then exist or, after giving pro forma effect to such payment, thereafter shall begin to exist, and (ii) the Leverage Ratio, calculated on a pro forma basis for the most recently ended trailing four-quarter period giving effect to such Capital Distribution as if it were paid at the commencement of such four-quarter period, is at least one-quarter turn (0.25) below the Leverage Ratio otherwise in effect as set forth in Section 5.7(a) hereof;

(c) DMC Global may (i) issue Preferred Stock upon the exercise of any put option by the Arcadia Minority Holders pursuant to the Arcadia Acquisition Documents, and (ii) make Capital Distributions (including redemption of such Preferred Stock) thereon in accordance with the terms thereof so long as (A) no Default or Event of Default shall then exist or, after giving pro forma effect to such payment, thereafter shall begin to exist, (B) the Leverage Ratio, calculated on a pro forma basis for the most recently ended trailing four-quarter period giving effect to such Capital Distribution as if it were paid at the commencement of such four-quarter period, is at least one-quarter turn (0.25) below the Leverage Ratio otherwise in effect as set forth in Section 5.7(a) hereof, (C) the Debt Service Coverage Ratio, calculated on a pro forma basis for the most recently ended trailing four-quarter period after giving effect to such Capital Distribution as if it were paid at the commencement of such four-quarter period is not less than 1.35 to 1.00, and (D) the Liquidity Amount is not less than Twenty Million Dollars ($20,000,000); and

(d) DMC Global may make Restricted Payments to the Arcadia Minority Holders upon the exercise of any call option held by a Company or put option held by the Arcadia Minority Holders on additional equity interests in Arcadia, so long as (i) no Default or Event of Default shall then exist or, after giving pro forma effect to such payment, thereafter shall begin to exist, (ii) the Leverage Ratio, calculated on a pro forma basis for the most recently ended trailing four-quarter period giving effect to such Restricted Payment as if it were paid at the commencement of such four-quarter period, is at least one-quarter turn (0.25) below the Leverage Ratio otherwise in effect as set forth in Section 5.7(a) hereof, (iii) the Debt Service Coverage Ratio, calculated on a pro forma basis for the most recently ended trailing four-quarter period after giving effect to such Restricted Payment as if it were paid at the commencement of such four-quarter period, is not less than 1.35 to 1.00, and (iv) the Liquidity Amount is not less than Twenty Million Dollars ($20,000,000).

Section 5.16. Environmental Compliance. Each Company shall comply in all material respects with any and all Environmental Laws and Environmental Permits including, without limitation, all Environmental Laws in jurisdictions in which such Company owns or operates a facility or site, arranges for disposal or treatment of hazardous substances, solid waste or other wastes, accepts for transport any hazardous substances, solid waste or other wastes or holds any interest in real property or otherwise. Each Company shall furnish to the Administrative Agent and the Lenders, promptly after receipt thereof, a copy of any material notice any such Company may receive from any Governmental Authority or private Person, or otherwise, that any material litigation or proceeding pertaining to any environmental, health or safety matter has been filed or is threatened against such Company, any real property in which such Company holds any interest or any past or present operation of such Company. Each Company shall use commercially reasonable efforts to prevent the material release or disposal of hazardous waste, solid waste or other wastes on, under or to any real property in which any Company holds any ownership interest or performs any of its operations, in violation of any Environmental Law. As used in this Section 5.16, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity action, administrative action or investigation whether brought by any Governmental Authority or private Person, or otherwise. Each Borrower shall defend, indemnify and hold the Administrative Agent and the Lenders harmless against all costs, expenses, claims, damages, penalties and liabilities of every kind or nature whatsoever (including attorneys' fees) arising out of or resulting from the noncompliance of any Company with any Environmental Law. Such indemnification shall survive any termination of this Agreement.

Section 5.17. Affiliate Transactions. No Company shall, directly or indirectly, enter into or permit to exist any transaction or series of transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of a Company (other than a Company that is a Credit Party or a Foreign Subsidiary) on terms that shall be less favorable to such Company than those that might be obtained at the time in a transaction with a Person that is not an Affiliate of a Company; provided that the foregoing shall not prohibit:

(a) the payment of reasonable fees, expenses and compensation to officers, directors, managers, employees and consultants and customary indemnification and insurance arrangements in favor of any such officer, director, manager, employee or consultant, and any agreement related to any of the foregoing entered into in the ordinary course of business;

(b) any agreements in existence on the Closing Date, as set forth onSchedule 5.17 hereto, as such agreements may be renewed, replaced or otherwise modified after the Closing Date upon terms which taken as a whole are not less favorable to the Credit Parties than the original terms of such agreements;

(c) transactions between or among Companies that are not Credit Parties;

(d) intercompany Indebtedness permitted by Section 5.8 hereof; or

(e) investments permitted by Section 5.11 hereof, transactions permitted by Section 5.12 hereof, Acquisitions permitted by Section 5.13 hereof, and Restricted Payments permitted by Section 5.15 hereof.

Section 5.18. Use of Proceeds. The Borrowers' use of the proceeds of the Loans shall be for working capital and other general corporate purposes of the Companies and for the refinancing of existing Indebtedness and for Acquisitions permitted hereunder including the Arcadia Acquisition. The Borrowers will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, (a) (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of applicable Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor, or otherwise); or (b) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of applicable Anti-Corruption Laws.

Section 5.19. Corporate Names and Locations of Collateral. No Company shall (a) change its corporate name, or (b) change its state, province or other jurisdiction, or form of organization, or extend or continue its existence in or to any other jurisdiction (other than its jurisdiction of organization at the date of this Agreement); unless, in each case, the Borrowers shall have provided the Administrative Agent and the Lenders with at least ten (10) days prior written notice thereof. The Administrative Borrower shall also promptly notify the Administrative Agent of (i) any change in any location where any Domestic Credit Party's Inventory or Equipment with a value in excess of Five Hundred Thousand Dollars ($500,000) is maintained, and any new locations where any Domestic Credit Party's Inventory or Equipment with a value in excess of Five Hundred Thousand Dollars ($500,000) is to be maintained; (ii) any change in the location of the office where any Domestic Credit Party's records pertaining to its Accounts are kept; (iii) the location of any new places of business and the changing or closing of any of its existing places of business; and (iv) any change in the location of any Credit Party's chief executive office. In the event of any of the foregoing or if otherwise deemed appropriate by the Administrative Agent, the Administrative Agent is hereby authorized to file new U.C.C. Financing Statements describing the Collateral and otherwise in form and substance sufficient for recordation wherever necessary or appropriate, as determined in the Administrative Agent's sole discretion, to perfect or continue perfected the security interest of the Administrative Agent, for the benefit of the Lenders, in the Collateral. The Borrowers shall pay all filing and recording fees and taxes in connection with the filing or recordation of such U.C.C. Financing Statements and security interests and shall promptly reimburse the Administrative Agent therefor if the Administrative Agent pays the same. Such amounts not so paid or reimbursed shall be Related Expenses hereunder.

Section 5.20. Subsidiary Guaranties, Security Documents and Pledge of Stock or Other Ownership Interest.

(a) Guaranties and Security Documents. Each Subsidiary (that is not a Dormant Subsidiary) that is a Subsidiary created, acquired or held subsequent to the Closing Date, shall promptly execute and deliver to the Administrative Agent, for the benefit of the Lenders, a Guaranty of Payment (or a Guaranty of Payment Joinder) of all of the Obligations and, with respect to any such Subsidiary that is a Domestic Subsidiary, a Security Agreement (or a Security Agreement Joinder), such agreements to be prepared by the Administrative Agent and to be substantially equivalent to the applicable agreements entered into by similarly situated then-existing Credit Parties, along with any such other supporting documentation, Security Documents (as applicable), corporate governance and authorization documents, and an opinion of counsel as may be substantially equivalent to those delivered in respect of similarly situated then-existing Credit Parties. With respect to a Subsidiary that has been classified as a Dormant Subsidiary, at such time that such Subsidiary no longer meets the requirements of a Dormant Subsidiary, the Administrative Borrower shall provide to the Administrative Agent prompt written notice thereof, and shall provide, with respect to such Subsidiary, all of the documents referenced in the foregoing sentence.

(b) Pledge of Stock or Other Ownership Interest. With respect to the creation or acquisition of a Subsidiary, the Borrowers shall deliver to the Administrative Agent, for the benefit of the Lenders, all of the share certificates (or other evidence of equity) owned by a Credit Party pursuant to the terms of a Pledge Agreement prepared by the Administrative Agent and substantially equivalent to the Pledge Agreements entered into by similarly situated then-existing Credit Parties, and executed by the appropriate Credit Party; provided that (i) no such pledge shall include (A) shares of capital stock or other equity interests of any Foreign Subsidiary that is not a first-tier Foreign Subsidiary, and (B) shares of voting capital stock or other voting equity interests in any first-tier Foreign Subsidiary in excess of sixty-five percent (65%) of the total outstanding shares of voting capital stock or other voting equity interest of such first-tier Foreign Subsidiary, and (ii) if the Administrative Agent, in its reasonable discretion, after consultation with the Administrative Borrower, determines that the cost of delivery of any such share certificates is illegal, impractical or cost-prohibitive, then the Administrative Agent may agree to forego (until such time as the Administrative Agent determines it is no longer illegal, impractical or cost-prohibitive in light of the circumstances to do so) the delivery of such share certificates.

(c) Perfection or Registration of Interest in Foreign Shares.

(i) With respect to any foreign shares pledged to the Administrative Agent, for the benefit of the Lenders, on or after the Closing Date, the Administrative Agent shall at all times, in the reasonable discretion of the Administrative Agent or the Required Lenders, have the right to perfect, at the Borrowers' cost, payable upon request therefor (including, without limitation, any foreign counsel, or foreign notary, filing, registration or similar, fees, costs or expenses), its security interest in such shares in the respective foreign jurisdiction. Such perfection may include the requirement that the applicable Company promptly execute and deliver to the Administrative Agent a separate pledge document (prepared by the Administrative Agent and in form and substance satisfactory to the Administrative Agent), covering such equity interests, that conforms to the requirements of the applicable foreign jurisdiction, together with an opinion of local counsel as to the perfection of the security interest provided for therein, and all other documentation reasonably necessary to effect the foregoing and to permit the Administrative Agent to exercise any of its rights and remedies in respect thereof.

(ii) With respect to any pledges governed by German law over shares or interests in a company incorporated or established in Germany, the Administrative Agent shall hold (with regard to its own rights under the Abstract Acknowledgement of Debt), administer and, as the case may be, enforce or release such security interests in the name of and for and on behalf of the Lenders and in its own name on the basis of the abstract acknowledgement of indebtedness pursuant to the Abstract Acknowledgement of Debt. For the purposes of entering into any such pledge agreement, performing the rights and obligations thereunder, amending, enforcing and/or releasing such pledge, each Lender hereby instructs and authorizes the Administrative Agent to act as its agent (*Stellvertreter*). At the request of the Administrative Agent, each Lender shall provide the Administrative Agent with a separate written power of attorney (*Spezialvollmacht*) for the purposes of executing any relevant agreements and documents on their behalf. Each Lender hereby ratifies and approves all acts previously done by the Administrative Agent on such Lender's behalf. The Administrative Agent accepts its appointment as agent and administrator of the security interests created under any such pledge agreement on the terms and subject to the conditions set out in this Agreement and the Lenders, the Administrative Agent and all other parties to this Agreement agree that, in relation to the pledges governed by German law, no Lender shall exercise any independent power to enforce any security interests or take any other action in relation to the enforcement of such security interests, or make or receive any declarations in relation thereto. Each Lender hereby instructs the Administrative Agent (with the right of sub-delegation) to enter into any documents evidencing security interests under German law and to make and accept all declarations and take all actions it considers necessary or useful in connection with any security interests governed by German law on behalf of such Lender. The Administrative Agent shall further be entitled to rescind, release, amend and/or execute new and different documents securing the security interests governed by German law.

(d) Foreign Subsidiary Guaranties. Anything in this Section 5.20 to the contrary notwithstanding, the Administrative Agent may forego the requirement that a Foreign Subsidiary execute a Guaranty of Payment if the Administrative Agent determines, in its reasonable judgment, after consultation with Administrative Borrower, that the execution and delivery of such Guaranty of Payment under the laws of such foreign jurisdiction (i) is impractical or cost prohibitive in light of the benefits, or (ii) will have material adverse tax consequences, provided that the relevant Foreign Subsidiary has used reasonable endeavors to overcome such obstacle.

Section 5.21. Collateral. Each Domestic Credit Party shall:

(a) at all reasonable times and upon reasonable notice, allow the Administrative Agent and the Lenders by or through any of the Administrative Agent's officers, agents, employees, attorneys or accountants to (i) examine, inspect and make extracts from such Domestic Credit Party's books and other records, including, without limitation, the tax returns of such Domestic Credit Party, (ii) arrange for verification of such Domestic Credit Party's Accounts, under reasonable procedures, directly with Account Debtors or by other methods, and (iii) examine and inspect such Domestic Credit Party's Inventory and Equipment, wherever located; provided that so long as no Event of Default is continuing, the Companies shall only be required to reimburse the Administrative Agent for the cost of one such inspection in any fiscal year;

(b) promptly furnish to the Administrative Agent upon request (i) additional statements and information with respect to the Collateral, and all writings and information relating to or evidencing any of such Domestic Credit Party's Accounts (including, without limitation, computer printouts or typewritten reports listing the mailing addresses of all present Account Debtors), and (ii) any other writings and information as the Administrative Agent may reasonably request;

(c) promptly notify the Administrative Agent in writing upon the acquisition or creation of any Accounts with respect to which the Account Debtor is the United States of America or any other Governmental Authority;

(d) promptly notify the Administrative Agent in writing upon the acquisition or creation by any Domestic Credit Party of a Deposit Account or Securities Account not listed on Schedule 6.19 hereto and, prior to or simultaneously with the creation of such Deposit Account or Securities Account, subject to Section 4.3(b), provide for the execution of a Deposit Account Control Agreement or Securities Account Control Agreement with respect thereto, if required by the Administrative Agent or the Required Lenders; provided that a Control Agreement shall not be required for a Deposit Account so long as (i) the balance of such Deposit Account does not exceed Two Hundred Fifty Thousand Dollars ($250,000) at any time, and (ii) the aggregate balance in all such Deposit Accounts (that are not maintained with the Administrative Agent) that are not subject to a Control Agreement does not exceed Two Million Dollars ($2,000,000) at any time;

(e) promptly notify the Administrative Agent in writing whenever the Equipment or Inventory of a Domestic Credit Party is located at a location of a third party (other than another Company) that is not listed on Schedule 6.9 hereto and, subject to Section 4.3(a), cause to be executed any Collateral Access Agreement that may be required by the Administrative Agent or the Required Lenders; provided that the Domestic Credit Parties shall not be required to deliver a Collateral Access Agreement for any Equipment or Inventory located at such location to the extent that (i) the aggregate value of all Equipment and Inventory of all Companies maintained at such location does not exceed Five Hundred Thousand Dollars ($500,000), and (ii) the aggregate value of all Equipment and Inventory of all Companies at all third party locations (that are not subject to a Collateral Access Agreement) does not exceed One Million Dollars ($1,000,000).

(f) promptly notify the Administrative Agent and the Lenders in writing of any information that such Domestic Credit Party has or may receive with respect to the Collateral that might reasonably be determined to materially and adversely affect the value of the Collateral of such Domestic Credit Party or the rights of the Administrative Agent and the Lenders with respect thereto;

(g) maintain such Domestic Credit Party's Equipment in good operating condition and repair, ordinary wear and tear excepted, making all necessary replacements thereof so that the value and operating efficiency thereof shall at all times be maintained and preserved in all material respects;

(h) deliver to the Administrative Agent, to hold as security for the Secured Obligations, within ten Business Days after the written request of the Administrative Agent, all certificated Investment Property owned by a Domestic Credit Party, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent, or in the event such Investment Property is in the possession of a Securities Intermediary or credited to a Securities Account, execute with the related Securities Intermediary a Securities Account Control Agreement over such Securities Account in favor of the Administrative Agent, for the benefit of the Lenders, in form and substance reasonably satisfactory to the Administrative Agent;

(i) provide to the Administrative Agent, on a quarterly basis (as necessary), a list of any patents, trademarks or copyrights that have been federally registered under the laws of the United States of America by a Domestic Credit Party that have been federally registered under the laws of the United States of America since the last list so delivered, and provide for the execution of an appropriate Intellectual Property Security Agreement; and

(j) upon request of the Administrative Agent, promptly take such action and promptly make, execute and deliver all such additional and further items, deeds, assurances, instruments and any other writings as the Administrative Agent may from time to time deem necessary or appropriate to carry into effect the intention of this Agreement, or so as to completely vest in and ensure to the Administrative Agent and the Lenders their respective rights hereunder and in or to the Collateral.

Each Domestic Credit Party hereby authorizes the Administrative Agent, on behalf of the Lenders, to file U.C.C. Financing Statements or other appropriate notices with respect to the Collateral. If certificates of title or applications for title are issued or outstanding with respect to any of the Inventory or Equipment of any Domestic Credit Party, such Domestic Credit Party shall, upon request of the Administrative Agent, (i) execute and deliver to the Administrative Agent a short form security agreement, prepared by the Administrative Agent and in form and substance satisfactory to the Administrative Agent, and (ii) deliver such certificate or application to the Administrative Agent and cause the interest of the Administrative Agent, for the benefit of the Lenders, to be properly noted thereon. Each Domestic Credit Party hereby authorizes the Administrative Agent or the Administrative Agent's designated agent (but without obligation by the Administrative Agent to do so) to incur Related Expenses (whether prior to, upon, or subsequent to any Default or Event of Default), and the Borrowers shall promptly repay, reimburse, and indemnify the Administrative Agent and the Lenders for any and all Related Expenses. If any Domestic Credit Party fails to keep and maintain its Equipment in good operating condition, ordinary wear and tear excepted, the Administrative Agent may (but shall not be required to) so maintain or repair all or any part of such Domestic Credit Party's Equipment and the cost thereof shall be a Related Expense; provided that, if no Default or Event of Default exists at the time of such maintenance or repair, the Administrative Agent has provided such Credit Party with written notice of any required maintenance or repair and such Credit Party has not taken action to maintain or repair such Equipment within thirty (30) days of receipt of such notice. All Related Expenses are payable to the Administrative Agent upon demand therefor; the Administrative Agent may, at its option, debit Related Expenses directly to any Deposit Account of a Company located at the Administrative Agent or the Revolving Loans.

Section 5.22. Property Acquired Subsequent to the Closing Date and Right to Take Additional Collateral. The Borrowers shall provide the Administrative Agent with prompt written notice with respect to any material real or personal property (other than in the ordinary course of business and excluding Accounts, Inventory, Equipment and General Intangibles and other property acquired in the ordinary course of business or any Investment Property that constitutes securities of a Foreign Subsidiary not required to be pledged pursuant to this Agreement) acquired by any Domestic Credit Party subsequent to the Closing Date (unless notice has already been provided pursuant to section 5.13 hereof). In addition to any other right that the Administrative Agent and the Lenders may have pursuant to this Agreement or otherwise, upon written request of the Administrative Agent, whenever made, the Borrowers shall, and shall cause each Domestic Guarantor of Payment to, grant to the Administrative Agent, for the benefit of the Lenders, as additional security for the Secured Obligations, a first Lien on any real or personal property of each Borrower and Domestic Guarantor of Payment (other than for leased equipment or equipment subject to a purchase money security interest in which the lessor or purchase money lender of such equipment holds a first priority security interest, in which case, the Administrative Agent shall have the right to obtain a security interest junior only to such lessor or purchase money lender), including, without limitation, the real property located at (a) 4407 FM 933, North Whitney, Texas 76692, (b) 3225 Washington Boulevard, Vernon, California 90058, and (c) any other property acquired subsequent to the Closing Date, in which the Administrative Agent does not have a first priority Lien. The Borrowers agree, within ten days after the date of such written request (or such longer period as may be agreed to by the Administrative Agent in writing in its sole discretion), to secure all of the Secured Obligations by delivering to the Administrative Agent security agreements, intellectual property security agreements, pledge agreements, mortgages (or deeds of trust, if applicable) or other documents, instruments or agreements or such thereof as the Administrative Agent may reasonably require. The Borrowers shall pay all reasonable recordation, legal and other expenses in connection therewith.

Section 5.23. Restrictive Agreements. Except as set forth in this Agreement and except for agreements listed onSchedule 5.23 hereto and modifications thereto that are not less favorable to the Companies or the interests of the Lenders hereunder than the original terms of such agreements, the Borrowers shall not, and shall not permit any of their Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (a) make, directly or indirectly, any dividend or other capital distribution to any Borrower, (b) make, directly or indirectly, loans or advances or capital contributions to any Borrower or (c) transfer, directly or indirectly, any of the properties or assets of such Subsidiary to any Borrower; except for such encumbrances or restrictions existing under or by reason of (i) applicable Law, (ii) customary non-assignment provisions in leases or other agreements entered in the ordinary course of business and consistent with past practices, or (iii) customary restrictions in security agreements or mortgages securing Indebtedness, or capital leases, of a Company to the extent such restrictions shall only restrict the transfer of the property subject to such security agreement, mortgage or lease.

Section 5.24. Other Covenants and Provisions. In the event that any Company shall enter into, or shall have entered into, any Material Indebtedness Agreement, wherein the financial covenants contained therein shall be more restrictive than the financial covenants set forth herein, then the Companies shall immediately be bound hereunder (without further action) by such more restrictive financial covenants with the same force and effect as if such financial covenants were written herein. In addition to the foregoing, the Borrowers shall provide prompt written notice to the Administrative Agent of the creation or existence of any Material Indebtedness Agreement that has such more restrictive financial covenants, and shall, within fifteen (15) days thereafter (if requested by the Administrative Agent), execute and deliver to the Administrative Agent an

amendment to this Agreement that incorporates such more restrictive financial covenants, with such amendment to be in form and substance satisfactory to the Administrative Agent.

Section 5.25. Guaranty Under Material Indebtedness Agreement. No Company shall be or become a primary obligor or Guarantor of the Indebtedness incurred pursuant to any Material Indebtedness Agreement unless such Company shall also be a Guarantor of Payment under this Agreement prior to or concurrently therewith.

Section 5.26. Amendment of Organizational Documents. Without the prior written consent of the Administrative Agent, no Company shall amend its Organizational Documents in any manner adverse to the Lenders.

Section 5.27. Fiscal Year of Borrowers. No Borrower shall change the date of its fiscal year-end without the prior written consent of the Administrative Agent and the Required Lenders. As of the Closing Date, the fiscal year end of each Borrower is December 31 of each year.

Section 5.28. Compliance with Laws. The Borrowers shall, and shall cause each Subsidiary to, comply in all material respects with all Laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, Anti-Corruption Laws and applicable Sanctions. The Borrowers shall maintain in effect and enforce such policies and procedures as it has determined to be reasonably necessary to ensure compliance in all material respects by the Borrowers, the Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions. The undertakings set out in this Section 5.28 shall not apply to or with respect to any Subsidiary and any of their respective directors, officers, employees and agents that qualifies as a resident party domiciled in the Federal Republic of Germany (*Inländer*) within the meaning of section 2 paragraph 15 of the German Foreign Trade Act (*Außenwirtschaftsgesetz*) to the extent that compliance with such undertakings by any such party would result in (i) any violation of, or conflict with, the Council Regulation (EC) 2271/96 or (ii) any violation of, or conflict with, Section 7 of the German Foreign Trade Ordinance (*Aussenwirtschaftsverordnung*) or any other similar anti-boycott statute.

Section 5.29. Flood Hazard. If any portion of any Mortgaged Real Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the Flood Insurance Laws, then Administrative Borrower shall, or shall cause the applicable Credit Parties to (a) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws, which such insurance shall (i) identify the addresses of each property located in a special flood hazard area, (ii) indicate the applicable flood zone designation, the flood insurance coverage and deductible relating thereto, (iii) provide that the insurer will give the Administrative Agent at least forty-five (45) days' written notice of cancellation or non-renewal, and (iv) shall otherwise be in form and substance satisfactory to the Administrative Agent, and (b) deliver to the Administrative Agent evidence of such compliance, in form and substance reasonably acceptable to the Administrative Agent, including, without limitation, evidence of annual renewals of such insurance. The applicable Credit Party shall also provide to the Administrative Agent from time to time such documents and other information reasonably requested by the Administrative Agent to permit the Administrative Agent and each Lender to comply with Flood Insurance Laws and any other applicable flood regulations. Any increase, extension or renewal of the Commitment shall be subject to flood insurance due diligence and flood insurance compliance reasonably satisfactory to the Administrative Agent.

Section 5.30. Further Assurances. The Borrowers shall, and shall cause each other Credit Party to, promptly upon request by the Administrative Agent, or the Required Lenders through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, provided that the Borrowers agree that such material defect or error is in fact a defect or error not intended by the Borrowers, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or the Required Lenders through the Administrative Agent, may reasonably require from time to time in order to carry out more effectively the requirements of the Loan Documents.

Section 5.31. Beneficial Ownership. Promptly following any request therefor, the Borrowers shall provide information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.1. Corporate Existence; Subsidiaries; Foreign Qualification. Each Company is duly organized, validly existing and in good standing (or comparable concept in the applicable jurisdiction) under the Laws of its state or jurisdiction of incorporation or organization, and is duly qualified and authorized to do business and is in good standing (or comparable concept in the applicable jurisdiction) as a foreign entity in the jurisdictions set forth opposite its name on Schedule 6.1 hereto, which is each jurisdictions where such qualification or good standing is required, except where a failure to so qualify or be in good standing would not reasonably be expected to have a Material Adverse Effect. Schedule 6.1 hereto sets forth, as of the Closing Date, each Subsidiary (and whether such Subsidiary is a Dormant Subsidiary), its state (or jurisdiction) of formation, its relationship to the Borrowers, including the percentage of each class of stock or other equity interest owned by a Company or the percentage of stock (or other equity interest) owned by a Company or the percentage of stock (or other equity interest) owned by a Company, each Person that owns the stock or other equity interest of each Company, its tax identification number, the location of its chief executive office and its principal place of business (and, with respect to a Foreign Subsidiary, its registered office (or similar concept), if applicable). Except as set forth on Schedule 6.1 hereto, each Borrower, directly or indirectly, owns all of the equity interests of each of its Subsidiaries (excluding directors' qualifying shares and, in the case of Foreign Subsidiaries, other nominal amounts of shares held by a Person other than a Company).

Section 6.2. Corporate Authority. Each Credit Party has the right and power and is duly authorized and empowered to enter into, execute and deliver the Loan Documents to which it is a party and to perform and observe the provisions of the Loan Documents. The Loan Documents to which each Credit Party is a party have been duly authorized and approved by such Credit Party's board of directors or other governing body, as applicable, and are the legal, valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their respective terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting creditors' rights and remedies generally and to the effect of general principles of equity (regardless of whether enforcement is considered in a proceeding at Law or in equity). The execution, delivery and performance of the Loan Documents do not conflict with, result in a breach in any of the provisions of, constitute a default under, or result in the creation of a Lien (other than Liens permitted under Section 5.9 hereof) upon any assets or property of any Company under the provisions of, such Company's Organizational Documents or any Material Agreement to which such Company is a party.

Section 6.3. Compliance with Laws and Contracts. Each Company:

(a) holds permits, certificates, licenses, orders, registrations, franchises, authorizations, and other approvals from any Governmental Authority necessary for the conduct of its business and is in compliance with all applicable Laws relating thereto, except where the failure to do so would not have a Material Adverse Effect;

(b) is in compliance with all federal, state, local, or foreign applicable statutes, rules, regulations, and orders including, without limitation, those relating to environmental protection, occupational safety and health, and equal employment practices, except where the failure to be in compliance would not have a Material Adverse Effect;

(c) is not in violation of or in default under any Material Agreement to which it is a party or by which its assets are subject or bound, except with respect to any violation or default that would not have a Material Adverse Effect;

(d) is not, and to the knowledge of the Companies, no director officer, agent, employee or Affiliate of a Company, is a Person that is, or is owned or controlled by Persons that are (i) the subject of any Sanctions, or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions with the result that Sanctions are violated by any Person (including any Lender, Affiliate of a Lender or participant in the Loans), and maintains policies and procedures designed to promote and achieve compliance with Sanctions, save that, the representations made in this Section 6.3(d) shall not be made by or with respect to any Company, or director officer, agent, employee or Affiliate of a Company that qualifies as a resident party domiciled in the Federal Republic of Germany (*Inländer*) within the meaning of section 2 paragraph 15 of the German Foreign Trade Act (*Aussenwirtschaftsgesetz*) to the extent that the making of such representations would result in any violation of, or conflict with, or to the extent such representation is not correct with respect to such member of the group because of any non-violation of, or non-conflict with, the Council Regulation (EC) 2271/96 or section 7 of the German Foreign Trade Ordinance (*Aussenwirtschaftsverordnung*) or a similar anti-boycott statute;

(e) is in compliance with all applicable Bank Secrecy Act ("BSA") and anti-money laundering Laws and regulations;

(f) has ensured that no Company or, to the knowledge of any Company, any director, officer, agent, employee or other person acting on behalf of a Company has taken any action, directly or indirectly, that would result in a violation by such persons of Anti-Corruption Laws, and the Credit Parties have instituted and maintain policies and procedures designed to ensure continued compliance therewith; and

(g) is in compliance with the Patriot Act.

Section 6.4. Litigation and Administrative Proceedings. Except as disclosed on Schedule 6.4 hereto, there are (a) no lawsuits, actions, investigations, examinations or other proceedings pending or, to the knowledge of the Companies, threatened against any Company, in any court or before or by any Governmental Authority, arbitration board, or other tribunal that would reasonably be expected to have a Material Adverse Effect, (b) no orders, writs, injunctions, judgments, or decrees of any court or Governmental Authority to which any Company is a party or by which the property or assets of any Company are bound that would reasonably be expected to have a Material Adverse Effect, and (c) no disputes outstanding with any union or other organization of the employees of any Company, or threats of work stoppage, strike, or pending demands for collective bargaining, that would reasonably be expected to have a Material Adverse Effect.

Section 6.5. Title to Assets. Each Company has good title to and ownership of all property it purports to own, which property is free and clear of all Liens, except those permitted under Section 5.9 hereof. As of the Closing Date, the Companies own the real estate listed on Schedule 6.5 hereto.

Section 6.6. Liens and Security Interests. On and after the Closing Date, except for Liens permitted pursuant to Section 5.9 hereof, (a) there are no U.C.C. Financing Statement or similar notice of Lien outstanding covering any personal property of any Company; (b) there are no mortgages outstanding covering any real property of any Company; and (c) no real or personal property of any Company is subject to any Lien of any kind. The Administrative Agent, for the benefit of the Lenders, upon the filing of the U.C.C. Financing Statements and taking such other actions necessary to perfect its Lien against collateral of the corresponding type as authorized hereunder will have a valid and enforceable first Lien on the collateral securing the Secured Obligations to the extent such Lien may be perfected by the filing of a U.C.C. Financing Statement. No Company has entered into any currently effective contract or agreement (other than a contract or agreement entered into in connection with the purchase or lease of fixed assets that prohibits Liens on such fixed assets) that would prohibit the Administrative Agent or the Lenders from acquiring a Lien on, or a collateral assignment of, any of the property or assets of any Company.

Section 6.7. Tax Returns. All federal and state tax returns, and all material provincial and local tax returns and other material reports required by law to be filed in respect of the income, business, properties and employees of each Company have been timely filed and all taxes, assessments, fees and other governmental charges that are due and payable have been timely paid, except as otherwise permitted herein. The provision for taxes on the books of each Company is adequate for all years not closed by applicable statutes and for the current fiscal year.

Section 6.8. Environmental Laws. Each Company is in material compliance with all Environmental Laws, including, without limitation, all Environmental Laws in all jurisdictions in which any Company owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. No material litigation or proceeding arising under, relating to or in connection with any Environmental Law or Environmental Permit is pending or, to the knowledge of each Company, threatened, against any Company, any real property in which any Company holds or has held an interest or any past or present operation of any Company. No material release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred (other than those that are currently being remediated in accordance with Environmental Laws), on, under or to any real property in which any Company holds any interest or performs any of its operations, in violation of any Environmental Law. As used in this Section 6.8, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any Governmental Authority or private Person, or otherwise.

Section 6.9. Locations. As of the Closing Date, the Credit Parties have places of business or maintain their Accounts, Inventory and Equipment at the locations (including third party locations) set forth on Schedule 6.9 hereto, and each Company's chief executive office is set forth on Schedule 6.9 hereto. Schedule 6.9 hereto further specifies whether each location, as of the Closing Date, (a) is owned by the Credit Parties, or (b) is leased by a Credit Party from a third party, and, if leased by a Domestic Credit Party from a third party, if a Collateral Access Agreement has been requested. As of the Closing Date, Schedule 6.9 hereto correctly identifies the name and address of each third party location where assets of the Credit Parties are located.

Section 6.10. Continued Business. There exists no actual, pending, or, to each Borrower's knowledge, any threatened termination, cancellation or limitation of, or any modification or change in the business relationship of any Company and any customer or supplier, or any group of customers or suppliers, whose purchases or supplies, individually or in the aggregate, that, if terminated, cancelled, limited or otherwise modified, would reasonably be expected to have a Material Adverse Effect.

Section 6.11. Employee Benefits Plans. Schedule 6.11 hereto identifies each ERISA Plan as of the Closing Date. No material ERISA Event has occurred or is expected

to occur with respect to an ERISA Plan. Full payment has been made of all amounts that a Controlled Group member is required, under applicable Law or under the governing documents, to have paid as a contribution to or a benefit under each ERISA Plan. The liability of each Controlled Group member with respect to each ERISA Plan has been fully funded based upon reasonable and proper actuarial assumptions, has been fully insured, or has been fully reserved for on its financial statements. No changes have occurred or are expected to occur that would cause a material increase in the cost of providing benefits under the ERISA Plan. With respect to each ERISA Plan that is intended to be qualified under Code Section 401(a), (i) the ERISA Plan and any associated trust operationally comply with the applicable requirements of Code Section 401(a); (ii) the ERISA Plan and any associated trust have been amended to comply with all such requirements as currently in effect, other than those requirements for which a retroactive amendment can be made within the "remedial amendment period" available under Code Section 401(b) (as extended under Treasury Regulations and other Treasury pronouncements upon which taxpayers may rely); (iii) the ERISA Plan and any associated trust have received a favorable determination letter from the IRS stating that the ERISA Plan qualifies under Code Section 401(a), that the associated trust qualifies under Code Section 501(a) and, if applicable, that any cash or deferred arrangement under the ERISA Plan qualifies under Code Section 401(k), unless the ERISA Plan was first adopted at a time for which the above-described "remedial amendment period" has not yet expired; (iv) the ERISA Plan currently satisfies the requirements of Code Section 410(b), without regard to any retroactive amendment that may be made within the above-described "remedial amendment period"; and (v) no contribution made to the ERISA Plan is subject to an excise tax under Code Section 4972. With respect to any Pension Plan, the "accumulated benefit obligation" of Controlled Group members with respect to the Pension Plan (as determined in accordance with Statement of Accounting Standards No. 87, "Employers' Accounting for Pensions") does not exceed the fair market value of Pension Plan assets.

Section 6.12. Consents or Approvals. No consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority or any other Person is required to be obtained or completed by any Company in connection with the execution, delivery or performance of any of the Loan Documents, that has not already been obtained or completed or waived, other than filings necessary to perfect Liens created under the Loan Documents and filings with the SEC related to the Loan Documents on the appropriate form.

Section 6.13. Solvency. Each Borrower has received consideration that is the reasonably equivalent value of the obligations and liabilities that such Borrower has incurred to the Administrative Agent and the Lenders. No Borrower is insolvent as defined in any applicable state, federal or relevant foreign statute, nor will any Borrower be rendered insolvent by the execution and delivery of the Loan Documents to the Administrative Agent and the Lenders. No Borrower is engaged or about to engage in any business or transaction for which the assets retained by it are or will be an unreasonably small amount of capital, taking into consideration the obligations to the Administrative Agent and the Lenders incurred hereunder. No Borrower intends to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature.

Section 6.14. Financial Statements. The audited Consolidated financial statements of DMC Global for the fiscal year ended December 31, 2020 and the unaudited Consolidated financial statements of DMC Global for the fiscal quarter ended September 30, 2021, furnished to the Administrative Agent and the Lenders, are true and complete, have been prepared in accordance with GAAP (except for year-end adjustments and the absence of footnotes with respect to the unaudited quarterly financial statements), and fairly present in all material respects the financial condition of the Companies, taken as a whole, as of the dates of such financial statements and the results of their operations for the periods then ending (other than any Companies that were not Consolidated Subsidiaries of DMC Global as of the date of such applicable financial statements). Since the dates of such statements, there has been no change in the financial condition reflected in such financial statements except as publicly disclosed or that would reasonably be expected to have a Material Adverse Effect.

Section 6.15. Regulations. No Company is engaged principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States). Neither the granting of any Loan (or any conversion thereof) or Letter of Credit nor the use of the proceeds of any Loan or Letter of Credit will violate, or be inconsistent with, the provisions of Regulation T, U or X or any other Regulation of such Board of Governors.

Section 6.16. Material Agreements. As of the Closing Date, no Company is in default beyond any applicable grace period or cure period under any (a) debt instrument (excluding the Loan Documents); (b) lease (capital, operating or otherwise), whether as lessee or lessor thereunder; (c) contract, commitment, agreement, or other arrangement involving the purchase or sale of any inventory by it, or the license of any right to or by it; (d) contract, commitment, agreement, or other arrangement with any of its "Affiliates" (as such term is defined in the Exchange Act) other than a Company; (e) management or employment contract or contract for personal services with any of its Affiliates that is not otherwise terminable at will or on less than ninety (90) days' notice without liability; (f) collective bargaining agreement; or (g) other contract, agreement, understanding, or arrangement with a third party, which default, in any case of subparts (a) through (g) above, would be reasonably expected to have a Material Adverse Effect.

Section 6.17. Intellectual Property. Each Company owns, or has the right to use, all of the patents, patent applications, industrial designs, designs, trademarks, service marks, copyrights and licenses, and rights with respect to the foregoing, necessary for the conduct of its business without any known conflict with the rights of others. Schedule 6.17 hereto sets forth all patents, trademarks, copyrights, service marks and license agreements federally registered in the United States of America and owned by a Company as of the Closing Date.

Section 6.18. Insurance. Each Company maintains with financially sound and reputable insurers insurance with coverage (including, if applicable, flood insurance as required pursuant to Section 5.29 hereof) and limits as required by law and as is customary with Persons engaged in the same or similar businesses as the Companies. Schedule 6.18 hereto sets forth all insurance carried by the Companies on the Closing Date, setting forth in reasonable detail the amount and type of such insurance.

Section 6.19. Deposit Accounts and Securities Accounts. Schedule 6.19 hereto lists all banks, other financial institutions and Securities Intermediaries at which any Credit Party maintains Deposit Accounts or Securities Accounts as of the Closing Date, and Schedule 6.19 hereto correctly identifies the name of each such financial institution or Securities Intermediary, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

Section 6.20. Accurate and Complete Statements. No written statements made by any Company in, or in connection with, the Loan Documents, when taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or in the Loan Documents not misleading. There is no fact known to the senior executive officers of the Borrowers (other than general industry and economic conditions and legal and regulatory requirements applicable to companies and businesses similar to the Companies) that has not been disclosed to the Administrative Agent that has or is likely to have a Material Adverse Effect; provided that, with respect to projected financial information and other forward looking information, Borrowers represent only that such information was prepared in good faith on the basis of the assumptions set forth therein, which assumptions were reasonable at the time prepared in light of the conditions existing at such time.

Section 6.21. Investment Company; Other Restrictions. No Company is (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) subject to any foreign, federal, state or local statute or regulation limiting its ability to incur Indebtedness.

Section 6.22. Defaults. No Default or Event of Default exists, nor will any begin to exist immediately after the execution and delivery hereof.

Section 6.23. Beneficial Ownership. The information included in each Beneficial Ownership Certification most recently delivered to each Lender (if any) is true and correct in all respects.

ARTICLE VII. SECURITY

Section 7.1. Security Interest in Collateral. In consideration of and as security for the full and complete payment of all of the Secured Obligations, each Borrower hereby grants to the Administrative Agent, for the benefit of the Lenders (and Affiliates thereof that hold Secured Obligations), a security interest in the Collateral owned by such Borrower.

Section 7.2. Collections and Receipt of Proceeds by the Borrowers.

(a) Prior to the exercise by the Administrative Agent and the Required Lenders of their rights under Article IX hereof, both (i) the lawful collection and enforcement of all of each Borrower's Accounts, and (ii) the lawful receipt and retention by each Borrower of all Proceeds of all of such Borrower's Accounts and Inventory shall be as the agent of the Administrative Agent and the Lenders.

(b) Upon written notice to the Administrative Borrower from the Administrative Agent after the occurrence and during the continuance of an Event of Default, a Cash Collateral Account shall be opened by the Borrowers at the main office of the Administrative Agent (or such other office as shall be designated by the Administrative Agent) and all such lawful collections of each Borrower's Accounts and such Proceeds of each Borrower's Accounts and Inventory shall be remitted daily by each Borrower to the Administrative Agent in the form in which they are received by such Borrower, either by mailing or by delivering such collections and Proceeds to the Administrative Agent, appropriately endorsed for deposit in the Cash Collateral Account. In the event that such notice is given to the Administrative Borrower from the Administrative Agent, no Borrower shall commingle such collections or Proceeds with any of such Borrower's other funds or property or the funds or property of any other Borrower, but shall hold such collections and Proceeds separate and apart therefrom upon an express trust for the Administrative Agent, for the benefit of the Lenders. In such case, the Administrative Agent may, in its sole discretion, and shall, at the request of the Required Lenders, at any time and from time to time, apply all or any portion of the account balance in the Cash Collateral Account as a credit against (i) the outstanding principal or interest of the Loans, or (ii) any other Secured Obligations in accordance with this Agreement. If any remittance shall be dishonored, or if, upon final payment, any claim with respect thereto shall be made against the Administrative Agent on its warranties of collection, the Administrative Agent may charge the amount of such item against the Cash Collateral Account or any other Deposit Account maintained by any Borrower with the Administrative Agent or with any other Lender, and, in any event, retain the same and such Borrower's interest therein as additional security for the Secured Obligations. The Administrative Agent may, in its sole discretion, at any time and from time to time, release funds from the Cash Collateral Account to the Borrowers for use in the business of the Borrowers. The balance in the Cash Collateral Account may be withdrawn by the Borrowers upon termination of this Agreement and payment in full of all of the Secured Obligations (other than contingent indemnification obligations as to which no claim has been asserted).

(c) After the occurrence and during the continuance of an Event of Default, at the Administrative Agent's written request, each Borrower shall cause all remittances representing collections and Proceeds of Collateral to be mailed to a lockbox at a location acceptable to the Administrative Agent, to which the Administrative Agent shall have access for the processing of such items in accordance with the provisions, terms and conditions of the customary lockbox agreement of the Administrative Agent.

(d) The Administrative Agent, or the Administrative Agent's designated agent, is hereby constituted and appointed attorney-in-fact for each Borrower with authority and power to endorse, after the occurrence and during the continuance of an Event of Default, any and all instruments, documents, and chattel paper upon the failure of the Borrowers to do so. Such authority and power, being coupled with an interest, shall be (i) irrevocable until all of the Secured Obligations (other than contingent indemnification obligations as to which no claim has been asserted) are paid, (ii) exercisable by the Administrative Agent at any time and without any request upon such Borrower by the Administrative Agent to so endorse, and (iii) exercisable in the name of the Administrative Agent or such Borrower. Each Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. Neither the Administrative Agent nor the Lenders shall be bound or obligated to take any action to preserve any rights therein against prior parties thereto.

Section 7.3. Collections and Receipt of Proceeds by Administrative Agent. Each Domestic Credit Party hereby constitutes and appoints the Administrative Agent, or the Administrative Agent's designated agent, as such Domestic Credit Party's attorney-in-fact to exercise, at any time, after the occurrence and during the continuance of an Event of Default, all or any of the following powers which, being coupled with an interest, shall be irrevocable until the complete and full payment of all of the Secured Obligations (other than contingent indemnification obligations as to which no claim has been asserted):

(a) to receive, retain, acquire, take, endorse, assign, deliver, accept, and deposit, in the name of the Administrative Agent or such Domestic Credit Party, any and all of such Domestic Credit Party's cash, instruments, chattel paper, documents, Proceeds of Accounts, Proceeds of Inventory, collection of Accounts, and any other writings relating to any of the Collateral. Each Domestic Credit Party hereby waives presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. The Administrative Agent shall not be bound or obligated to take any action to preserve any rights therein against prior parties thereto;

(b) to transmit to Account Debtors, on any or all of such Domestic Credit Party's Accounts, notice of assignment to the Administrative Agent, for the benefit of the Lenders, thereof and the security interest therein, and to request from such Account Debtors at any time, in the name of the Administrative Agent or such Domestic Credit Party, information concerning such Domestic Credit Party's Accounts and the amounts owing thereon;

(c) to transmit to purchasers of any or all of such Domestic Credit Party's Inventory, notice of the Administrative Agent's security interest therein, and to request from such purchasers at any time, in the name of the Administrative Agent or such Domestic Credit Party, information concerning such Domestic Credit Party's Inventory and the amounts owing thereon by such purchasers;

(d) to notify and require Account Debtors on such Domestic Credit Party's Accounts and purchasers of such Domestic Credit Party's Inventory to make payment of their indebtedness directly to the Administrative Agent;

(e) to enter into or assent to such amendment, compromise, extension, release or other modification of any kind of, or substitution for, the Accounts, or any thereof, as the Administrative Agent, in its sole discretion, may deem to be advisable;

(f) to enforce the Accounts or any thereof, or any other Collateral, by suit or otherwise, to maintain any such suit or other proceeding in the name of the Administrative Agent or one or more the Domestic Credit Parties, and to withdraw any such suit or other proceeding. The Domestic Credit Parties agree to cooperate with the Administrative Agent in respect of the foregoing, all at no cost or expense to the Administrative Agent and including, without limitation, to the extent permitted under applicable confidentiality restrictions, the furnishing of such witnesses and of such records and other writings as the Administrative Agent may require in connection with making legal proof of any Account. The Domestic Credit Parties agree to reimburse the Administrative Agent in full for all court costs and attorneys' fees and every other cost, expense or liability, if any, incurred or paid by the Administrative Agent in connection with the foregoing, which obligation of the Domestic Credit Parties shall constitute Obligations, shall be secured by the Collateral and shall bear interest, until paid, at the Default Rate;

(g) to take or bring, in the name of the Administrative Agent or such Domestic Credit Party, all steps, actions, suits, or proceedings deemed by the Administrative Agent necessary or desirable to effect the receipt, enforcement, and collection of the Collateral; and

(h) to accept all collections in any form relating to the Collateral, including remittances that may reflect deductions, and to deposit the same into such Domestic Credit Party's Cash Collateral Account or, at the option of the Administrative Agent, to apply them as a payment against the Loans or any other Secured Obligations in accordance with this Agreement.

Section 7.4. Administrative Agent's Authority Under Pledged Notes. For the better protection of the Administrative Agent and the Lenders hereunder, each Domestic Credit Party, as appropriate, has executed (or will execute, with respect to future Pledged Notes) an appropriate endorsement on (or transfer power separate from) each Pledged Note and has deposited (or will deposit, with respect to future Pledged Notes) such Pledged Note with the Administrative Agent, for the benefit of the Lenders. Such Domestic Credit Party irrevocably authorizes and empowers the Administrative Agent, for the benefit of the Lenders, to, during the occurrence and continuation of an Event of Default, (a) ask for, demand, collect and receive all payments of principal of and interest on the Pledged Notes; (b) compromise and settle any dispute arising in respect of the foregoing; (c) execute and deliver vouchers, receipts and acquittances in full discharge of the foregoing; (d) exercise, in the Administrative Agent's discretion, any right, power or privilege granted to the holder of any Pledged Note by the provisions thereof including, without limitation, the right to demand security or to waive any default thereunder; (e) endorse such Domestic Credit Party's name to each check or other writing received by the Administrative Agent as a payment or other proceeds of or otherwise in connection with any Pledged Note; (f) enforce delivery and payment of the principal and/or interest on the Pledged Notes, in each case by suit or otherwise as the Administrative Agent may desire; and (g) enforce the security, if any, for the Pledged Notes by instituting foreclosure proceedings, by conducting public or other sales or otherwise, and to take all other steps as the Administrative Agent, in its discretion, may deem advisable in connection with the forgoing; provided, however, that nothing contained or implied herein or elsewhere shall obligate the Administrative Agent to institute any action, suit or proceeding or to make or do any other act or thing contemplated by this Section 7.4 or prohibit the Administrative Agent from settling, withdrawing or dismissing any action, suit or proceeding or require the Administrative Agent to preserve any other right of any kind in respect of the Pledged Notes and the security, if any, therefor.

Section 7.5. Commercial Tort Claims. If any Domestic Credit Party shall at any time hold or acquire a Commercial Tort Claim in excess of Two Hundred Fifty Thousand Dollars ($250,000), such Domestic Credit Party shall promptly notify the Administrative Agent thereof in a writing signed by such Domestic Credit Party, that sets forth the details thereof and grants to the Administrative Agent (for the benefit of the Lenders) a Lien thereon and on the Proceeds thereof, all upon the terms of this Agreement, with such writing to be prepared by and in form and substance reasonably satisfactory to the Administrative Agent.

Section 7.6. Use of Inventory and Equipment. Until the exercise by the Administrative Agent and the Required Lenders of their rights under Article IX hereof, each Domestic Credit Party may (a) retain possession of and use its Inventory and Equipment in any lawful manner not inconsistent with this Agreement or with the terms, conditions, or provisions of any policy of insurance thereon; (b) sell or lease its Inventory in the ordinary course of business or as otherwise permitted by this Agreement; and (c) use and consume any raw materials or supplies, the use and consumption of which are necessary in order to carry on such Domestic Credit Party's business.

ARTICLE VIII. EVENTS OF DEFAULT

Any of the following specified events shall constitute an Event of Default (each an "Event of Default"):

Section 8.1. Payments. If (a) the interest on any Loan, any commitment or other fee, or any other Obligation not listed in subpart (b) hereof, shall not be paid in full when due and payable or within three Business Days thereafter, or (b) the principal of any Loan, any reimbursement obligation under any Letter of Credit that has been drawn, or any amount owing pursuant to Section 2.12(a) or (b) hereof shall not be paid in full when due and payable.

Section 8.2. Special Covenants. If any Company shall fail or omit to perform and observe Section 5.3, 5.7, 5.8, 5.9, 5.11, 5.12, 5.13, 5.15, 5.18, 5.24 or 5.25 hereof.

8.3. Other Covenants.

(a) If any Company shall fail or omit to perform and observe Section 5.4, and that Default shall not have been fully corrected within five days after the giving of written notice thereof to the Administrative Borrower by the Administrative Agent.

(b) If any Company shall fail or omit to perform or observe any agreement or other provision (other than those referred to in Section 8.1, 8.2 or 8.3(a) hereof) contained or referred to in this Agreement or any Related Writing that is on such Company's part to be complied with, and that Default shall not have been fully corrected within thirty (30) days after the giving of written notice thereof to the Administrative Borrower by the Administrative Agent or the Required Lenders.

Section 8.4. Representations and Warranties. If any representation, warranty or statement made in or pursuant to this Agreement or any other Related Writing by any Company to the Administrative Agent or the Lenders, or any thereof, shall be false or erroneous in any material respect when made or deemed made.

Section 8.5. Cross Default. If any Company shall default in the payment of principal or interest due and owing under any Material Indebtedness Agreement beyond any period of grace provided with respect thereto or in the performance or observance of any other agreement, term or condition contained in any agreement under which such obligation is created, if the effect of such default is to allow the acceleration of the maturity of such Indebtedness or to permit the holder thereof to cause such Indebtedness to become due prior to its stated maturity.

Section 8.6. ERISA Default. The occurrence of one or more ERISA Events that would reasonably be expected to have a Material Adverse Effect.

Section 8.7. Change in Control. If any Change in Control shall occur.

Section 8.8. Judgments. There is entered against any Company:

(a) a final judgment or order for the payment of money by a court of competent jurisdiction, that remains unpaid or unstayed and undischarged for a period (during which execution shall not be effectively stayed) of sixty (60) days after the date on which the right to appeal has expired, provided that such occurrence shall constitute an Event of Default only if the aggregate of all such judgments for all such Companies, shall exceed Five Million Dollars ($5,000,000) (less any amount that will be covered by the proceeds of insurance and is not subject to dispute by the insurance provider); or

(b) any one or more non-monetary final judgments that are not covered by insurance, or, if covered by insurance, for which the insurance company has not agreed to or acknowledged coverage, and that, in either case, the Required Lenders reasonably determine have, or could be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (i) enforcement proceedings are commenced by the prevailing party or any creditor upon such judgment or order, or (ii) there is a period of three consecutive Business Days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

Section 8.9. Security. If any Lien granted by any Company in this Agreement or any other Loan Document in favor of the Administrative Agent, for the benefit of the Lenders, shall be determined to be (a) void, voidable or invalid, or is subordinated or not otherwise given the priority contemplated by this Agreement and the Borrowers have (or the appropriate Credit Party has) failed to promptly execute appropriate documents to correct such matters, or (b) unperfected as to any material amount of Collateral (as determined by the Administrative Agent, in its reasonable discretion) and the Borrowers have (or the appropriate Credit Party has) failed to promptly execute appropriate documents to correct such matters.

Section 8.10. Validity of Loan Documents. If (a) any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Secured Obligations, ceases to be in full force and effect, (b) any Borrower or any other Person contests in writing the validity or enforceability of any provision of any Loan Document, or (c) any Borrower denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document

Section 8.11. Solvency. If any Company (other than a Dormant Subsidiary) shall (a) except as permitted pursuant to Section 5.12 hereof, discontinue business; (b) generally not pay its debts as such debts become due; (c) make a general assignment for the benefit of creditors; (d) apply for or consent to the appointment of an interim receiver, a receiver, a receiver and manager, an administrator, a sequestrator, a monitor, a custodian, a trustee, an interim trustee, a liquidator, an agent or any other similar official of all or a substantial part of its assets or of such Company; (e) be adjudicated a debtor or insolvent or have entered against it an order for relief under the Bankruptcy Code, or under any other bankruptcy insolvency, liquidation, winding-up, corporate or similar statute or Law, foreign, federal, state or provincial, in any applicable jurisdiction, now or hereafter existing, as any of the foregoing may be amended from time to time, or other applicable statute for jurisdictions outside of the United States, as the case may be; (f) file a voluntary petition under the Bankruptcy Code or seek relief under any bankruptcy or insolvency or analogous Law in any jurisdiction outside of the United States, or file a proposal or notice of intention to file such petition; (g) have an involuntary proceeding under the Bankruptcy Code (or any bankruptcy or insolvency or analogous Law in any jurisdiction outside of the United States) filed against it and the same shall not be controverted within ten (10) days, or shall continue undismissed for a period of sixty (60) days from commencement of such proceeding or case; (h) file a petition, an answer, an application or a proposal seeking reorganization or an arrangement with creditors or seeking to take advantage of any other Law (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors; (i) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgment, decree or order entered by a court of competent jurisdiction, that approves a petition or an application or a proposal seeking its reorganization or appoints an interim receiver, a receiver and manager, an administrator, custodian, trustee, interim trustee or liquidator of all or a substantial part of its assets, or of such Company; (j) have an administrative receiver appointed over the whole or substantially the whole of its assets, or of such Company; (k) have assets, the value of which is less than its liabilities; or (l) have a moratorium declared in respect of any of its Indebtedness, or any analogous procedure or step is taken in any jurisdiction.

ARTICLE IX. REMEDIES UPON DEFAULT

Notwithstanding any contrary provision or inference herein or elsewhere:

Section 9.1. Optional Defaults. If any Event of Default referred to in Section 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9 or 8.10 hereof shall occur, the Administrative Agent may, with the consent of the Required Lenders, and shall, at the written request of the Required Lenders, give written notice to the Borrowers to:

(a) terminate the Commitment, if not previously terminated, and, immediately upon such election, the obligations of the Lenders, and each thereof, to make any further Loan, and the obligation of the Issuing Lenders to issue any Letter of Credit, immediately shall be terminated; and/or

(b) accelerate the maturity of all of the Obligations (if the Obligations are not already due and payable), whereupon all of the Obligations shall become and thereafter be immediately due and payable in full without any presentment or demand and without any further or other notice of any kind, all of which are hereby waived by each Borrower.

Section 9.2. Automatic Defaults. If any Event of Default referred to in Section 8.11 hereof shall occur:

(a) all of the Commitment shall automatically and immediately terminate, if not previously terminated, and no Lender thereafter shall be under any obligation to grant any further Loan, nor shall the Issuing Lenders be obligated to issue any Letter of Credit; and

(b) the principal of and interest then outstanding on all of the Loans, and all of the other Obligations, shall thereupon become and thereafter be immediately due and payable in full (if the Obligations are not already due and payable), all without any presentment, demand or notice of any kind, which are hereby waived by each Borrower.

Section 9.3. Letters of Credit. If the maturity of the Obligations shall be accelerated pursuant to Section 8.1 or 8.2 hereof, the appropriate Borrowers shall immediately deposit with the Administrative Agent, as security for the obligations of such Borrowers and any Domestic Guarantor of Payment to reimburse the applicable Issuing Lender and the Revolving Lenders for any then outstanding Letters of Credit, Cash Collateral in an amount not less than the Minimum Collateral Amount. The Administrative Agent and the Revolving Lenders are hereby authorized, at their option, to deduct any and all such amounts from any deposit balances then owing by any Lender (or any Affiliate of such Lender, wherever located) to or for the credit or account of any Borrower or any Domestic Guarantor of Payment, as security for the obligations of such Borrower and any Domestic Guarantor of Payment to reimburse the applicable Issuing Lender and the Revolving Lenders for any then outstanding Letters of Credit.

Section 9.4. Offsets. If there shall occur or exist any Event of Default referred to in Section 8.11 hereof or if the maturity of the Obligations is accelerated pursuant to Section 9.1 or 9.2 hereof, each Lender shall have the right at any time to set off against, and to appropriate and apply toward the payment of, any and all of the Obligations then owing by the Borrowers or a Domestic Guarantor of Payment to such Lender (including, without limitation, any participation purchased or to be purchased pursuant to Section 2.2(b), 2.2(c) or 9.5 hereof), whether or not the same shall then have matured, any and all deposit (general or special) balances and all other indebtedness then held or owing by such Lender (including, without limitation, by branches and agencies or any Affiliate of such Lender, wherever located) to or for the credit or account of any Borrower or Domestic Guarantor of Payment, or any Foreign Guarantor of Payment with respect to such deposit balances and indebtedness of a Foreign Guarantor of Payment, all without notice to or demand upon any Borrower or any other Person, all such notices and demands being hereby expressly waived by each Borrower. Each Lender agrees to notify the Administrative Borrower and the Administrative Agent promptly after any such set off and application (provided that the failure to give such notice shall not affect the validity of such set off and application). In the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 11.10 hereof and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the Issuing Lenders and their respective Affiliates under this Section 9.4 are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Lender or their respective Affiliates may have.

Section 9.5. Equalization Provisions.

(a) Equalization Within Commitments Prior to an Equalization Event. Each Revolving Lender agrees with the other Revolving Lenders that, if it at any time shall obtain any Advantage over the other Revolving Lenders, or any thereof, in respect of the Applicable Debt (except as to Swing Loans and Letters of Credit prior to the Administrative Agent's giving of notice to participate and amounts under Article III hereof), such Revolving Lender, upon written request of the Administrative Agent, shall purchase from the other Revolving Lenders, for cash and at par, such additional participation in the Applicable Debt as shall be necessary to nullify the Advantage. Each Term Lender agrees with the other Term Lenders that, if it at any time shall obtain any Advantage over the other Term Lenders, or any thereof, in respect of the Applicable Debt (except as to amounts under Article III hereof), such Term Lender shall purchase from the other Term Lenders, for cash and at par, such additional participation in the Applicable Debt as shall be necessary to nullify the Advantage.

(b) Equalization Between Commitments After an Equalization Event. After the occurrence of an Equalization Event, each Lender agrees with the other Lenders that, if such Lender at any time shall obtain any Advantage over the other Lenders or any thereof determined in respect of the Obligations (including Swing Loans and Letters of Credit but excluding amounts under Article III hereof) then outstanding, such Lender shall purchase from the other Lenders, for cash and at par, such additional participation in the Obligations as shall be necessary to nullify the Advantage in respect of the Obligations. For purposes of determining whether or not, after the occurrence of an Equalization Event, an Advantage in respect of the Obligations shall exist, the Administrative Agent shall, as of the date that the Equalization Event occurs:

(i) add the Revolving Credit Exposure and the Term Loan Exposure to determine the equalization maximum amount (the "Equalization Maximum Amount"); and

(ii) determine an equalization percentage (the "Equalization Percentage") for each Lender by dividing the aggregate amount of its Lender Credit Exposure by the Equalization Maximum Amount.

After the date of an Equalization Event, the Administrative Agent shall determine whether an Advantage exists among the Lenders by using the Equalization Percentage. Such determination shall be conclusive absent manifest error.

(c) Recovery of Amount. If any such Advantage resulting in the purchase of an additional participation as set forth in subsection (a) or (b) hereof shall be recovered in whole or in part from the Lender receiving the Advantage, each such purchase shall be rescinded, and the purchase price restored (but without interest unless the Lender receiving the Advantage is required to pay interest on the Advantage to the Person recovering the Advantage from such Lender) ratably to the extent of the recovery.

(d) Application and Sharing of Set-Off Amounts. Each Lender further agrees with the other Lenders that, if it at any time shall receive any payment for or on behalf of a Borrower on any Indebtedness owing by such Borrower to that Lender (whether by voluntary payment, by realization upon security, by reason of offset of any deposit or other Indebtedness, by counterclaim or cross action, by enforcement of any right under any Loan Document, or otherwise), it shall apply such payment first to any and all Indebtedness owing by such Borrower to that Lender pursuant to this Agreement (including, without limitation, any participation purchased or to be purchased pursuant to this Section 9.5 or any other section of this Agreement). Each Credit Party agrees that any Lender so purchasing a participation from the other Lenders, or any thereof, pursuant to this Section 9.5 may exercise all of its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 9.6. Collateral. The Administrative Agent and the Lenders shall at all times have the rights and remedies of a secured party under the U.C.C., in addition to the rights and remedies of a secured party provided elsewhere within this Agreement, in any other Related Writing executed by any Borrower or otherwise provided in law or equity. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may require the Borrowers to assemble the collateral securing the Secured Obligations, which each Borrower agrees to do, and make it available to the Administrative Agent and the Lenders at a reasonably convenient place to be designated by the Administrative Agent. The Administrative Agent may, with or without notice to or demand upon such Borrower and with or without the aid of legal process, make use of such force as may be necessary to enter any premises where such collateral, or any thereof, may be found and to take possession thereof (including anything found in or on such collateral that is not specifically described in this Agreement, each of which findings shall be considered to be an accession to and a part of such collateral) and for that purpose may pursue such collateral wherever the same may be found, without liability for trespass or damage caused thereby to such Borrower, other than damage caused by the gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction) of the Administrative Agent or its agents or employees. After any delivery or taking of possession of the collateral securing the Secured Obligations, or any portion thereof, pursuant to this Agreement, then, with or without resort to any Borrower personally or any other Person or property, all of which each Borrower hereby waives, and upon such terms and in such manner as the Administrative Agent may deem advisable, the Administrative Agent, in its discretion, may sell, assign, transfer and deliver any of such collateral at any time, or from time to time. No prior notice need be given to any Borrower or to any other Person in the case of any sale of such collateral that the Administrative Agent determines to be perishable or to be declining speedily in value or that is customarily sold in any recognized market, but in any other case the Administrative Agent shall give the Borrowers not fewer than ten days prior notice of either the time and place of any public sale of such collateral or of the time after which any private sale or other intended disposition thereof is to be made. Each Borrower waives advertisement of any such sale and (except to the extent specifically required by the preceding sentence) waives notice of any kind in respect of any such sale. At any such public sale, the Administrative Agent or the Lenders may purchase such collateral, or any part thereof, free from any right of redemption, all of which rights each Borrower hereby waives and releases. After deducting all Related Expenses, and after paying all claims, if any, secured by Liens having precedence over this Agreement, the Administrative Agent may apply the net proceeds of each such sale to or toward the payment of the Secured Obligations, whether or not then due, in such order and by such division as the Administrative Agent, in its sole discretion, may deem advisable. Any excess, to the extent permitted by law, shall be paid to the Borrowers, and each Borrower shall remain liable for any deficiency. In addition, the Administrative Agent shall at all times during the continuance of an Event of Default have the right to

obtain new appraisals of any Borrower or any collateral securing the Secured Obligations, the cost of which shall be paid by the Borrowers.

Section 9.7. Other Remedies. The remedies in this Article IX are in addition to, and not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which the Administrative Agent and the Lenders may be entitled. The Administrative Agent shall exercise the rights under this Article IX and all other collection efforts on behalf of the Lenders and no Lender shall act independently with respect thereto, except as otherwise specifically set forth in this Agreement. In addition, the Administrative Agent shall be entitled to exercise remedies, pursuant to the Loan Documents, against collateral securing the Secured Obligations, on behalf of any Affiliate of a Lender that holds Secured Obligations, and no Affiliate of a Lender shall act independently with respect thereto, except as otherwise specifically set forth in this Agreement.

Section 9.8. Application of Proceeds.

(a) Payments Prior to Exercise of Remedies. Prior to the exercise by the Administrative Agent, on behalf of the Lenders, of remedies under this Agreement or the other Loan Documents, all monies received by the Administrative Agent shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable Law, as follows (provided that such Agent shall have the right at all times to apply any payment received from the Borrowers first to the payment of all obligations (to the extent not paid by the Borrowers) incurred by such Agent pursuant to Sections 11.5 and 11.6 hereof and to the payment of Related Expenses):

(i) with respect to payments received in connection with the Revolving Credit Commitment, to the Revolving Lenders;

(ii) with respect to payments received in connection with the Term Loan Commitment, to the Term Loan Lenders; and

(iii) with respect to payments received in connection with an Additional Term Loan Facility, to the applicable Lenders.

(b) Payments Subsequent to Exercise of Remedies. After the exercise by the Administrative Agent or the Required Lenders of remedies under this Agreement or the other Loan Documents, all monies received by the Administrative Agent shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable Law, in accordance with the following priority (the "Waterfall"):

(i) first, to the extent incurred in connection with obligations payable by a specific Borrower, to the payment of all obligations (to the extent not paid by the Borrowers) incurred by the Administrative Agent pursuant to Sections 11.5 and 11.6 hereof and to the payment of Related Expenses;

(ii) second, to the extent incurred in connection with the obligations payable by a specific Borrower, to the payment pro rata of (1) interest then accrued and payable on the outstanding Loans, (2) any fees then accrued and payable to the Administrative Agent, (3) any fees then accrued and payable to any Issuing Lender or the holders of the Letter of Credit Commitment in respect of the Letter of Credit Exposure, (4) any commitment fees, amendment fees and similar fees shared pro rata among the Lenders under this Agreement that are then accrued and payable, and (5) to the extent not paid by the Borrowers, to the obligations incurred by the Lenders (other than the Administrative Agent) pursuant to Sections 11.5 and 11.6 hereof;

(iii) third, for payment of (1) principal outstanding on the Loans and the Letter of Credit Exposure, on a pro rata basis to the Lenders, based upon each such Lender's Overall Commitment Percentage, provided that the amounts payable in respect of the Letter of Credit Exposure shall be held and applied by the Administrative Agent as security for the reimbursement obligations in respect thereof, and, if any Letter of Credit shall expire without being drawn, then the amount with respect to such Letter of Credit shall be distributed to the Lenders, on a pro rata basis in accordance with this subpart (iii), (2) the Indebtedness under any Hedge Agreement with a Lender (or an entity that is an Affiliate of a then existing Lender), such amount to be based upon the net termination obligation of the Borrowers under such Hedge Agreement, and (3) the Bank Product Obligations owing to a Lender (or an entity that is an Affiliate of a then existing Lender) under Bank Product Agreements; with such payment to be pro rata among (1), (2) and (3) of this subpart (iii);

(iv) fourth, to any remaining Secured Obligations; and

(v) finally, any remaining surplus after all of the Secured Obligations have been paid in full, to the Administrative Borrower for distribution to the appropriate Borrowers, or to whomsoever shall be lawfully entitled thereto.

Each Lender (or Affiliate of such Lender) entering into a Bank Product Agreement or Hedge Agreement with any Company shall deliver to the Administrative Agent, promptly (and in no even later than ten days) after entering into such Bank Product Agreement or Hedge Agreement, written notice in form and substance satisfactory to the Administrative Agent setting forth the aggregate amount of all Bank Product Obligations and/or obligations under such Hedge Agreement of such Credit Party to such Lender (or Affiliate of such Lender) (whether matured or unmatured, absolute or contingent) and the method of calculation thereof. Failure to provide such written notice to the Administrative Agent on a timely basis shall result in such Secured Obligations, at the discretion of the Administrative Agent, being paid under subpart (iv) above (instead of subpart (iii)). In addition, each such Lender (or Affiliate of such Lender) thereof shall deliver to the Administrative Agent, from time to time after a significant change therein or upon a request therefor, a summary of the amounts due or to become due in respect of such Bank Product Obligations and/or obligations under such Hedge Agreement. The most recent information provided to the Administrative Agent shall be used in determining the amounts to be applied in respect of such Bank Product Obligations and/or obligations under such Hedge Agreement pursuant to this Section 9.8 and which tier of the Waterfall, such obligations a will be placed. Each Lender further agrees to promptly provide all information reasonably requested by the Administrative Agent regarding any Bank Product Obligations owing to such Lender (or Affiliate of such Lender) or any Hedge Agreement entered into by a Company with such Lender (or Affiliate of such Lender).

ARTICLE X. THE ADMINISTRATIVE AGENT

The Lenders authorize KeyBank and KeyBank hereby agrees to act as agent for the Lenders in respect of this Agreement upon the terms and conditions set forth elsewhere in this Agreement, and upon the following terms and conditions:

Section 10.1. Appointment and Authorization.

(a) General. Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers hereunder as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto, including, without limitation, to execute and deliver any Additional Borrower Assumption Agreements on behalf of the Lenders and to execute various documents pertaining to the Foreign Guarantors of Payment on behalf of the Lenders. Neither the Administrative Agent nor any of its Affiliates, directors, officers, attorneys or employees shall (i) be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction), or be responsible in any manner to any of the Lenders for the effectiveness, enforceability, genuineness, validity or due execution of this Agreement or any other Loan Documents, (ii) be under any obligation to any Lender to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions hereof or thereof on the part of the Borrowers or any other Company, or the financial condition of the Borrowers or any other Company, or (iii) be liable to any of the Companies for consequential damages resulting from any breach of contract, tort or other wrong in connection with the negotiation, documentation, administration or collection of the Loans or Letters of Credit or any of the Loan Documents, other than any such damages resulting from the gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction) of Administrative Agent or its agents or employees. Notwithstanding any provision to the contrary contained in this Agreement or in any other Loan Document, the Administrative Agent shall not have any duty or responsibility except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in other Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The provisions of this Article X are solely for the benefit of the Administrative Agent and the Lenders, and neither any Borrower nor any of the Credit Parties shall have rights as a third-party beneficiary of any of such provisions.

(b) Bank Products and Hedging Products. Each Lender that is providing Bank Products or products in connection with a Hedge Agreement (or whose Affiliate is providing such products) hereby irrevocably authorizes the Administrative Agent to take such action as agent on its behalf (and its Affiliate's behalf) with respect to the Collateral and the realization of payments with respect thereto pursuant to Section 9.8(b)(iii) hereof. Each Borrower and each Lender agree that the indemnification and reimbursement provisions of this Agreement shall be equally applicable to the actions of the Administrative Agent pursuant to this subsection (b). Each Lender hereby represents and warrants to the Administrative Agent that it has the authority to authorize the Administrative Agent as set forth above.

Section 10.2. Note Holders. The Administrative Agent may treat the payee of any Note as the holder thereof (or, if there is no Note, the holder of the interest as reflected on the books and records of the Administrative Agent) until written notice of transfer shall have been filed with the Administrative Agent, signed by such payee and in form satisfactory to the Administrative Agent (such transfer to have been made in accordance with Section 11.9 hereof).

Section 10.3. Consultation With Counsel. The Administrative Agent may consult with legal counsel selected by the Administrative Agent and shall not be liable for any action taken or suffered in good faith by the Administrative Agent in accordance with the opinion of such counsel, other than any such liability arising from the gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction) of Administrative Agent or its agents or employees

Section 10.4. Documents. The Administrative Agent shall not be under any duty to examine into or pass upon the validity, effectiveness, genuineness or value of any Loan Document or any other Related Writing furnished pursuant hereto or in connection herewith or the value of any collateral obtained hereunder, and the Administrative Agent shall be entitled to assume that the same are valid, effective and genuine and what they purport to be.

Section 10.5. Administrative Agent and Affiliates. KeyBank and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Companies and Affiliates as though KeyBank were not the Administrative Agent hereunder and without notice to or consent of any Lender. Each Lender acknowledges that, pursuant to such activities, KeyBank or its Affiliates may receive information regarding any Company or any Affiliate (including information that may be subject to confidentiality obligations in favor of such Company or such Company's Affiliate) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to other Lenders. With respect to Loans and Letters of Credit (if any), KeyBank and its Affiliates shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though KeyBank were not the Administrative Agent, and the terms "Lender" and "Lenders" include KeyBank and its Affiliates, to the extent applicable, in their individual capacities.

Section 10.6. Knowledge or Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received written notice from a Lender or the Administrative Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable, in its discretion, for the protection of the interests of the Lenders.

Section 10.7. Action by Administrative Agent. Subject to the other terms and conditions hereof, so long as the Administrative Agent shall be entitled, pursuant to Section 10.6 hereof, to assume that no Default or Event of Default shall have occurred and be continuing, the Administrative Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights that may be vested in it by, or with respect to taking or refraining from taking any action or actions that it may be able to take under or in respect of, this Agreement. The Administrative Agent shall incur no liability under or in respect of this Agreement by acting upon any notice, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything that it may do or refrain from doing in the reasonable exercise of its judgment, or that may seem to it to be necessary or desirable in the premises, other than liability arising from the gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction) of Administrative Agent or its agents or employees. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent's acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

Section 10.8. Release of Collateral or Guarantor of Payment. In the event of a merger, transfer of assets or other transaction permitted pursuant to Section 5.12 hereof (or otherwise permitted pursuant to this Agreement) where the proceeds of such merger, transfer or other transaction are applied in accordance with the terms of this Agreement to the extent required to be so applied, or in the event of a merger, consolidation, transfer or disposition of assets, dissolution or similar event, permitted pursuant to this Agreement, the Administrative Agent, at the request and expense of the Borrowers, is hereby authorized by the Lenders to (a) release the relevant Collateral from this Agreement or any other Loan Document, (b) release a Guarantor of Payment in connection with such permitted transfer or event, and (c) duly assign, transfer and deliver to the affected Person (without recourse and without any representation or warranty) such Collateral as is then (or has been) so transferred, disposed of or released and as may be in the possession of the Administrative Agent and has not theretofore been released pursuant to this Agreement.

Section 10.9. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct, as determined by a final and non-appealable judgment of a court of competent jurisdiction.

Section 10.10. Indemnification of Administrative Agent. The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrowers) ratably, according to their respective Overall Commitment Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against the Administrative Agent in its capacity as agent in any way relating to or arising out of this Agreement or any other Loan Document, or any action taken or omitted by the Administrative Agent with respect to this Agreement or any other Loan Document, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct, as determined by a final and non-appealable judgment of a court of competent jurisdiction, or from any action taken or omitted by the Administrative Agent in any capacity other than as agent under this Agreement or any other Loan Document. No action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 10.10. The undertaking in this Section 10.10 shall survive repayment of the Loans, cancellation of the Notes, if any, expiration or termination of the Letters of Credit, termination of the Commitment, any foreclosure under, or modification, release or discharge of, any or all of the Loan Documents, termination of this Agreement and the resignation or replacement of the administrative agent.

Section 10.11. Successor Administrative Agent. The Administrative Agent may resign as agent hereunder by giving not fewer than thirty (30) days prior written notice to the Administrative Borrower and the Lenders. If the Administrative Agent shall resign under this Agreement, then either (a) the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders (with the consent of the Administrative Borrower so long as an Event of Default does not exist and which consent shall not be unreasonably withheld), or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following the Administrative Agent's notice to the Lenders of its resignation, then the Administrative Agent shall appoint a successor agent that shall serve as agent until such time as the Required Lenders appoint a successor agent (with the consent of the Administrative Borrower so long as an Event of Default does not exist). If no successor agent has accepted appointment as the Administrative Agent by the date that is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon its appointment, such successor agent shall succeed to the rights, powers and duties as agent, and the term "Administrative Agent" means such successor effective upon its appointment, and the former agent's rights, powers and duties as agent shall be terminated without any other or further act or deed on the part of such former agent or any of the parties to this Agreement. After any retiring Administrative Agent's resignation as the Administrative Agent, the provisions of this Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement and the other Loan Documents.

Section 10.12. Issuing Lender. Each Issuing Lender shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by such Issuing Lender and the documents associated therewith. Each Issuing Lender shall have all of the benefits and immunities (a) provided to the Administrative Agent in this Article X with respect to any acts taken or omissions suffered by such Issuing Lender in connection with the Letters of Credit and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Administrative Agent", as used in this Article X, included such Issuing Lender with respect to such acts or omissions, and (b) as additionally provided in this Agreement with respect to such Issuing Lender.

Section 10.13. Swing Line Lenders. The Swing Line Lender shall act on behalf of the Revolving Lenders with respect to any Swing Loans. Each Swing Line Lender shall have all of the benefits and immunities (a) provided to the Administrative Agent in this Article X with respect to any acts taken or omissions suffered by such Swing Line Lender in connection with the Swing Loans as fully as if the term "Administrative Agent", as used in this Article X, included such Swing Line Lender with respect to such acts or omissions, and (b) as additionally provided in this Agreement with respect to such Swing Line Lender.

Section 10.14. Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, (a) the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise, to (i) 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 (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent) allowed in such judicial proceedings, and (ii) collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and (b) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial 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 for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent. 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 10.15. No Reliance on Administrative Agent's Customer Identification Program. Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's or its Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other anti-terrorism Law, including any programs involving any of the following items relating to or in connection with the Borrowers, their respective Affiliates or agents, the Loan Documents or the transactions hereunder: (a) any identity verification procedures, (b) any record keeping, (c) any comparisons with government lists, (d) any customer notices, or (e) any other procedures required under the CIP Regulations or such other Laws.

Section 10.16. Other Agents. The Administrative Agent shall have the continuing right from time to time to designate one or more Lenders (or its or their Affiliates) as "syndication agent", "co-syndication agent", "documentation agent", "co-documentation agent", "book runner", "lead arranger", "joint lead arranger", "arrangers" or other designations for purposes hereof. Any such designation referenced in the previous sentence or listed on the cover of this Agreement shall have no substantive effect, and any such Lender and its Affiliates so referenced or listed shall have no additional powers, duties, responsibilities or liabilities as a result thereof, except in its capacity, as applicable,

as the Administrative Agent, a Lender, a Swing Line Lender or an Issuing Lender hereunder.

Section 10.17. Platform.

(a) Each Credit Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuing Lender, the Swing Line Lender and the other Lenders by posting the Communications on the Platform.

(b) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrowers or the other Credit Parties, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Borrower's, any Credit Party's or the Administrative Agent's transmission of communications through the Platform, other than liability arising from the gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction) of an Agent Party. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent, any Lender, any Issuing Lender or any Swing Line Lender by means of electronic communications pursuant to this Section, including through the Platform.

Section 10.18. Acknowledgements Regarding Erroneous Payments.

(a) If the Administrative Agent notifies a Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender such Lender or Issuing Lender (any such Lender or Issuing Lender or other recipient, a "Payment Recipient"), that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding subsection (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or Issuing Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or Issuing Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this subsection (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding subsection (a), each Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender, such Lender or Issuing Lender hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (i) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (ii) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (iii) that such Lender or Issuing Lender or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(A) (1) in the case of immediately preceding subparts (b)(i) or (b)(ii), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (2) an error has been made (in the case of immediately preceding subpart (b)(iii)), in each case, with respect to such payment, prepayment or repayment; and

(B) such Lender or Issuing Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.18(b).

(c) Each Lender or Issuing Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Issuing Lender from any source, against any amount due to the Administrative Agent under subsection (a) above or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with subsection (a) above, from any Lender or Issuing Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender or Issuing Lender at any time, (i) such Lender or Issuing Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Loans with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment Agreement with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Lender shall deliver any Notes evidencing such Loans to the Borrowers or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Lender shall cease to be a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Lender and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or Issuing Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or Issuing Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and

irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Issuing Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by any Borrower or any other Credit Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from any Borrower or any other Credit Party for the purpose of paying, prepaying, repaying, discharging or otherwise satisfying such Obligations.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 10.18 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, Swing Line Lender or Issuing Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

ARTICLE XII. MISCELLANEOUS

Section 11.1. Lenders' Independent Investigation. Each Lender, by its signature to this Agreement, acknowledges and agrees that the Administrative Agent has made no representation or warranty, express or implied, with respect to the creditworthiness, financial condition, or any other condition of any Company or with respect to the statements contained in any information memorandum furnished in connection herewith or in any other oral or written communication between the Administrative Agent and such Lender. Each Lender represents that it has made and shall continue to make its own independent investigation of the creditworthiness, financial condition and affairs of the Companies in connection with the extension of credit hereunder, and agrees that the Administrative Agent has no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto (other than such notices as may be expressly required to be given by the Administrative Agent to the Lenders hereunder), whether coming into its possession before the first Credit Event hereunder or at any time or times thereafter. Each Lender further represents that it has reviewed each of the Loan Documents.

Section 11.2. No Waiver; Cumulative Remedies. No omission or course of dealing on the part of the Administrative Agent, any Lender or the holder of any Note (or, if there is no Note, the holder of the interest as reflected on the books and records of the Administrative Agent) in exercising any right, power or remedy hereunder or under any of the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or under any of the Loan Documents. The remedies herein provided are cumulative and in addition to any other rights, powers or privileges held under any of the Loan Documents or by operation of law, by contract or otherwise.

Section 11.3. Amendments, Waivers and Consents.

(a) General Rule. Except as set forth in Section 3.8 hereof, no amendment, modification, termination, or waiver of any provision of any Loan Document nor consent to any variance therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) Exceptions to the General Rule. Notwithstanding the provisions of subsection (a) of this Section 11.3:

(i) Unanimous Consent Requirements. Unanimous consent of the Lenders shall be required with respect to (A) any increase in the Commitment hereunder (except as specified in Section 2.10(b) hereof), (B) the extension of the stated maturity of the Loans, the payment date of interest or scheduled principal hereunder, or the payment date of commitment fees payable hereunder, (C) any reduction in the stated rate of interest on the Loans (provided that the institution of the Default Rate or post default interest and a subsequent removal of the Default Rate or post default interest shall not constitute a decrease in interest rate pursuant to this Section 11.3(b)), or in any amount of interest or scheduled principal due on any Loan, or any reduction in the stated rate of commitment fees payable hereunder or any change in the manner of pro rata application of any payments made by the Borrowers to the Lenders hereunder, (D) any change in any percentage voting requirement, voting rights, or the Required Lenders definition in this Agreement, (E) the release of any Borrower or any Guarantor of Payment or of any material amount of collateral securing the Secured Obligations, except as specifically permitted hereunder, or (F) any amendment to this Section 11.3 or Sections 9.5 or 9.8 hereof.

(ii) Provisions Relating to Special Rights and Duties. No provision of this Agreement affecting the Administrative Agent in its capacity as such shall be amended, modified or waived without the consent of the Administrative Agent. The Administrative Agent Fee Letter may be amended or modified by the Administrative Agent and the Administrative Borrower without the consent of any other Lender. No provision of this Agreement relating to the rights or duties of an Issuing Lender in its capacity as such shall be amended, modified or waived without the consent of such Issuing Lender. No provision of this Agreement relating to the rights or duties of a Swing Line Lender in its capacity as such shall be amended, modified or waived without the consent of such Swing Line Lender.

(iii) Technical and Conforming Modifications. Notwithstanding the foregoing, technical and conforming modifications to the Loan Documents may be made with the consent of the Administrative Borrower and the Administrative Agent (A) if such modifications are not adverse to the Lenders and are requested by Governmental Authorities, (B) to cure any ambiguity, defect or inconsistency, or (C) to the extent necessary to integrate any increase in the Commitment or new Loans pursuant to Section 2.10(b) hereof.

(c) Replacement of Non-Consenting Lender. If, in connection with any proposed amendment, waiver or consent hereunder, the consent of all Lenders is required, but only the consent of Required Lenders is obtained, (any Lender withholding consent as described in this subsection (c) being referred to as a "Non-Consenting Lender"), then, so long as the Administrative Agent is not the Non-Consenting Lender, the Administrative Agent may (and shall, if requested by the Administrative Borrower), at the sole expense of the appropriate Borrowers, upon notice to such Non-Consenting Lender and the Administrative Borrower, require such Non-Consenting Lender to assign

and delegate, without recourse (in accordance with the restrictions contained in Section 11.9 hereof) all of its interests, rights and obligations under this Agreement to a financial institution acceptable to the Administrative Agent and the Administrative Borrower that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that such Non-Consenting 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 such financial institution (to the extent of such outstanding principal and accrued interest and fees) or the appropriate Borrowers (in the case of all other amounts, including any breakage compensation under Article III hereof).

(d) Generally. Notice of amendments, waivers or consents ratified by the Lenders hereunder shall be forwarded by the Administrative Agent to all of the Lenders. Each Lender or other holder of a Note, or if there is no Note, the holder of the interest as reflected on the books and records of the Administrative Agent (or interest in any Loan or Letter of Credit) shall be bound by any amendment, waiver or consent obtained as authorized by this Section 11.3, regardless of its failure to agree thereto.

Section 11.4. Notices.

(a) All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to a Borrower, mailed or delivered to it, addressed to it at the address specified on the signature pages of this Agreement, if to the Administrative Agent or a Lender, mailed or delivered to it, addressed to the address of the Administrative Agent or such Lender specified on the signature pages of this Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered (if received during normal business hours on a Business Day, such Business Day, or otherwise the following Business Day), or two Business Days after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile or electronic communication, in each case of facsimile or electronic communication with telephonic confirmation of receipt. All notices pursuant to any of the provisions hereof shall not be effective until received. For purposes of Article II hereof, the Administrative Agent shall be entitled to rely on telephonic instructions from any person that the Administrative Agent in good faith believes is an Authorized Officer, and the Borrowers shall hold the Administrative Agent and each Lender harmless from any loss, cost or expense resulting from any such reliance.

(b) Without prejudicing the right of the Administrative Agent to give any notice or communication in any manner specified in this Agreement or any other Loan Document, the Administrative Agent reserves the right in its sole discretion to deliver or furnish notices and other communications to the Administrative Borrower with respect to the amount of interest, principal, fees or other payment amounts using electronic platforms, electronic transmission systems or by email. The Borrowers agree to (i) upon receiving a request from the Lender, promptly supply the Administrative Agent with its e-mail address for receiving such notices and communications on or before the effective date of the agreement, and (ii) promptly notify the Administrative Agent of any change to its e-mail address.

Section 11.5. Costs, Expenses and Documentary Taxes. The Borrowers agree to pay on demand all costs and expenses of the Administrative Agent and all Related Expenses, including but not limited to (a) reasonable syndication, administration, travel and out-of-pocket expenses, including but not limited to reasonable attorneys' fees and expenses, of the Administrative Agent in connection with the preparation, negotiation and closing of the Loan Documents and the administration of the Loan Documents, and the collection and disbursement of all funds hereunder and the other instruments and documents to be delivered hereunder, (b) extraordinary expenses of the Administrative Agent in connection with the administration of the Loan Documents and the other instruments and documents to be delivered hereunder, and (c) the reasonable fees and expenses of special counsel for the Administrative Agent, with respect to the foregoing, and of local counsel, if any, who may be retained by said special counsel with respect thereto. The Borrowers also agree to pay on demand all costs and expenses (including Related Expenses) of the Administrative Agent and the Lenders, including reasonable attorneys' fees and expenses, in connection with the restructuring or enforcement of the Obligations, this Agreement or any other Related Writing. In addition, the Borrowers shall pay any and all stamp, transfer, documentary and other taxes, assessments, charges and fees payable or determined to be payable in connection with the execution and delivery of the Loan Documents, and the other instruments and documents to be delivered hereunder, and agree to hold the Administrative Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or failure to pay such taxes or fees. All obligations provided for in this Section 11.5 shall survive any termination of this Agreement.

Section 11.6. Indemnification.

(a) Borrowers. Subject to subsection (c) below, the Borrowers agree to defend, indemnify and hold harmless the Administrative Agent, and the Lenders (and their respective affiliates, officers, directors, attorneys, agents and employees) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable attorneys' fees) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against the Administrative Agent or any Lender in connection with any investigative, administrative or judicial proceeding (whether or not such Lender or the Administrative Agent shall be designated a party thereto) or any other claim by any Person relating to or arising out of any Loan Document or any actual or proposed use of proceeds of the Loans or any of the Obligations, or any activities of any Company or its Affiliates.

(b) Generally. Notwithstanding anything to the contrary, no Lender or Agent or any of their respective affiliates, officers, directors, attorneys, agents or employees (each an "Indemnified Party") shall have the right to be indemnified under this Section 11.6 for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable attorneys' fees) or disbursements of any kind or nature whatsoever arising from (i) the bad faith, gross negligence or willful misconduct of such Indemnified Party, (ii) a material breach by such Indemnified Party of its obligations under the Loan Documents, or (iii) any proceeding that does not involve an act or omission by any Borrower or any of their Affiliates and that is brought by such Indemnified Party against any other such Indemnified Party; in each case of the foregoing as determined by a final and non-appealable judgment of a court of competent jurisdiction. All obligations provided for in this Section 11.6 shall survive any termination of this Agreement.

Section 11.7. Obligations Several; No Fiduciary Obligations. The obligations of the Lenders hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Administrative Agent or the Lenders pursuant hereto shall be deemed to constitute the Administrative Agent or the Lenders a partnership, association, joint venture or other entity. No default by any Lender hereunder shall excuse the other Lenders from any obligation under this Agreement; but no Lender shall have or acquire any additional obligation of any kind by reason of such default. The relationship between the Borrowers and the Lenders with respect to the Loan Documents and the other Related Writings is and shall be solely that of debtors and creditors, respectively, and neither the Administrative Agent nor any Lender shall have any fiduciary obligation toward any Credit Party with respect to any such documents or the transactions contemplated thereby.

Section 11.8. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, and by facsimile or other electronic signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 11.9. Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither any Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder

without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section 11.9, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section 11.9, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section 11.9 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section 11.9 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) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including, without limitation (i) such Lender's Commitment, (ii) all Loans made by such Lender, (iii) such Lender's Notes (if any), and (iv) such Lender's interest in any Letter of Credit or Swing Loan); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) no minimum amount is required to be assigned in the case of (x) an assignment of the entire remaining amount of the assigning Lender's Commitment (to the extent the Commitment is still in effect) and the Loans at the time owing to such Lender, (y) contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in subpart (b)(i)(B) of this Section 11.9 in the aggregate, or (z) in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund; and

(B) in any case not described in subpart (b)(i)(A) of this Section 11.9, the aggregate amount of each such assignment (determined as of the date the Assignment Agreement with respect to such assignment is delivered to the Administrative Agent (or, if "Trade Date" is specified in the Assignment Agreement, as of the Trade Date) shall not be less than Five Million Dollars ($5,000,000), unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, the Administrative Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the portion of such Lender's Commitment assigned, except that this subpart (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations with respect to separate facilities on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section 11.9 and, in addition:

(A) the consent of the Administrative Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that (y) the Borrowers shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof, and (z) the Administrative Borrower's consent shall not be required during the primary syndication of the Commitment; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment Agreement, together with a processing and recordation fee of Three Thousand Five Hundred Dollars ($3,500); provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form supplied by the Administrative Agent.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) a Borrower or any of any Borrower's Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any Person that, upon becoming a Lender, would constitute a Defaulting Lender.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Administrative Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, each Issuing Lender, each Swing Line Lender and each other Lender hereunder (and interest accrued thereon), and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Loans in accordance with its Applicable Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this subpart (vii), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(viii) Treatment as Lenders. Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section 11.9, from and after the effective date specified in each Assignment Agreement, the assignee thereunder shall be a party to this Agreement, and, to the extent of the interest assigned by such Assignment Agreement, 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 Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment Agreement 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 Article III and Sections 11.5 and 11.6 hereof with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender; and provided further that no successor or assignee shall be entitled to receive any greater payment under Section 3.2 hereof than the Lender from whom it acquired the right to payment would have been entitled to receive. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subpart shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 11.9.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts (and stated interest) of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive absent manifest error, and each 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 Administrative Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or any Borrower or any of any Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of the Commitment and the Loans and participations owing to it and the Notes, if any, held by it); provided that (i) such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrowers, the Administrative Agent, each Issuing Lender, each Swing Line Lender and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Loan Documents. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.10 with respect to any payments made by such Lender to any of its Participants.

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 with respect to the following (to the extent that it affects such Participant): (i) any increase in the portion of the participation amount of any Participant over the amount thereof then in effect, or any extension of the Commitment Period; or (ii) any reduction of the principal amount of or extension of the time for any payment of principal on any Loan, or the reduction of the rate of interest or extension of the time for payment of interest on any Loan, or the reduction of the commitment fee. The Borrowers agree that each Participant shall be entitled to the benefits of Article III hereof (subject to the requirements and limitations therein, including the requirements under Section 3.2(e) hereof (it being understood that the documentation required under Section 3.2(e) hereof 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 subsection (b) of this Section 11.9; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.4 and 3.6 hereof as if it were an assignee under subsection (b) of this Section 11.9; and (B) shall not be entitled to receive any greater payment under Article III hereof, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Administrative Borrower's request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 3.6 hereof with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.4 hereof as though it were a Lender; provided that such Participant agrees to be subject to Section 9.5 hereof as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 11.10. Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX hereof or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.5 hereof shall be applied at such time or times as may be determined by the Administrative Agent as follows: (A) first, to the payment of amounts owing by such Defaulting Lender to the Administrative Agent hereunder; (B) second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender or any Swing Line Lender hereunder; (C) third, to Cash Collateralize each Issuing Lender's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.13 hereof; (D) fourth, as the Administrative Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; (E) fifth, if so determined by the Administrative Agent and the Administrative Borrower, to be held in a deposit account and released pro rata in order to (1) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement, and (2) Cash Collateralize each Issuing Lender's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.13 hereof; (F) sixth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or the Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Lender or any Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; (G) seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of

its obligations under this Agreement; and (H) eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that, if (y) such payment is a payment of the principal amount of any Loans or any Letters of Credit in respect of which such Defaulting Lender has not fully funded its appropriate share, and (z) such Loans were made or reimbursement of any payment on any Letters of Credit were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.1 hereof were satisfied or waived, such payment shall be applied solely to pay the Loans of, and the Letter of Credit Exposure owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Letter of Credit Exposure owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Letter of Credit Exposure and Swing Loans are held by the Lenders pro rata in accordance with the Commitment under the applicable facility without giving effect to Section 11.10(a)(iv) hereof. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 11.10(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive letter of credit fees, as set forth in Section 2.2(b) hereof for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.13 hereof.

(C) With respect to any fee not required to be paid to any Defaulting Lender pursuant to subpart (A) or (B) above, the Administrative Borrower shall (1) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in the Letter of Credit Exposure or Swing Loans that has been reallocated to such Non-Defaulting Lender pursuant to subpart (iv) below, (2) pay to each Issuing Lender and each Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Lender's or such Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (3) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in the Letter of Credit Exposure and Swing Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Commitment Percentages with respect thereto (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Applicable Commitment Percentage with respect to the Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Loans. If the reallocation described in subpart (iv) above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to it hereunder or under law, (y) first, prepay Swing Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (z) second, Cash Collateralize the Issuing Lenders' Fronting Exposure in accordance with the procedures set forth in Section 2.13 hereof.

(b) Defaulting Lender Cure. If the Administrative Borrower, the Administrative Agent, the Swing Line Lender and the Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such 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 reasonably necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable facility (without giving effect to Section 11.10(a)(iv) hereof), whereupon such Lender will cease to be a Defaulting Lender; provided that (i) no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and (ii) except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) New Swing Loan and Letters of Credit. So long as any Lender is a Defaulting Lender, (i) no Swing Line Lender shall be required to fund any Swing Loan unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Loan, and (ii) no Issuing Lender shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(d) Replacement of Defaulting Lenders. Each Lender agrees that, during the time in which any Lender is a Defaulting Lender, the Administrative Agent shall have the right (and the Administrative Agent shall, if requested by the Administrative Borrower), at the sole expense of the Borrowers, upon notice to such Defaulting Lender and the Administrative Borrower, to require that such Defaulting Lender assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.9 hereof), all of its interests, rights and obligations under this Agreement to an Eligible Assignee, approved by the Administrative Borrower (unless an Event of Default shall exist) and the Administrative Agent, that shall assume such obligations.

Section 11.11. Patriot Act Notice. Each Lender, and the Administrative Agent (for itself and not on behalf of any other party), hereby notifies the Credit Parties that, pursuant to the requirements of the Patriot Act, such Lender and the Administrative Agent are required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Credit Parties in accordance with the Patriot Act. Each Borrower shall provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or a Lender in order to assist the Administrative Agent or such Lender in maintaining compliance with the Patriot Act.

Section 11.12. Severability of Provisions; Captions; Attachments. Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall,

as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. The several captions to sections and subsections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Agreement. Each schedule or exhibit attached to this Agreement shall be incorporated herein and shall be deemed to be a part hereof.

Section 11.13. Investment Purpose. Each of the Lenders represents and warrants to the Borrowers that such Lender is entering into this Agreement with the present intention of acquiring any Note issued pursuant hereto (or, if there is no Note, the interest as reflected on the books and records of the Administrative Agent) for investment purposes only and not for the purpose of distribution or resale, it being understood, however, that each Lender shall at all times retain full control over the disposition of its assets.

Section 11.14. Entire Agreement. This Agreement, any Note and any other Loan Document or other agreement, document or instrument attached hereto or executed on or as of the Closing Date integrate all of the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof (except with respect to any provisions of the Administrative Agent Fee Letter or any commitment letter and fee letter between the Administrative Borrower and KeyBank that by their terms survive the termination of such agreements, in each case, which shall remain in full force and effect after the Closing Date).

Section 11.15. Limitations on Liability of the Issuing Lenders. The Borrowers assume all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letters of Credit. Neither any Issuing Lender nor any of its officers or directors shall be liable or responsible for (a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by an Issuing Lender against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that the account party on such Letter of Credit shall have a claim against an Issuing Lender, and an Issuing Lender shall be liable to such account party, to the extent of any direct, but not consequential, damages suffered by such account party that such account party proves were caused by (i) such Issuing Lender's willful misconduct or gross negligence (as determined by a final judgment of a court of competent jurisdiction) in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit, or (ii) such Issuing Lender's willful failure to make lawful payment under any Letter of Credit after the presentation to it of documentation strictly complying with the terms and conditions of such Letter of Credit (as determined by a final judgment of a court of competent jurisdiction). In furtherance and not in limitation of the foregoing, an Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation.

Section 11.16. General Limitation of Liability. No claim may be made by any Credit Party or any other Person against the Administrative Agent, any Issuing Lender, or any other Lender or the Affiliates, directors, officers, employees, attorneys or agents of any of them for any damages other than actual compensatory damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any of the other Loan Documents, or any act, omission or event occurring in connection therewith; and the Borrowers, each Lender, the Administrative Agent and each Issuing Lender hereby, to the fullest extent permitted under applicable Law, waive, release and agree not to sue or counterclaim upon any such claim for any special, indirect, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in their favor and regardless of whether any Lender, Issuing Lender, or the Administrative Agent has been advised of the likelihood of such loss of damage.

Section 11.17. No Duty. All attorneys, accountants, appraisers, consultants and other professional persons (including the firms or other entities on behalf of which any such Person may act) retained by the Administrative Agent or any Lender with respect to the transactions contemplated by the Loan Documents shall have the right to act exclusively in the interest of the Administrative Agent or such Lender, as the case may be, and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to the Borrowers, any other Companies, or any other Person, with respect to any matters within the scope of such representation or related to their activities in connection with such representation. Each Borrower agrees, on behalf of itself and its Subsidiaries, not to assert any claim or counterclaim against any such persons with regard to such matters, all such claims and counterclaims, now existing or hereafter arising, whether known or unknown, foreseen or unforeseeable, being hereby waived, released and forever discharged.

Section 11.18. Legal Representation of Parties. The Loan Documents were negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement or any other Loan Document to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof

Section 11.19. 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 (a) no Credit Party is an Affected Financial Institution, (b) 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 (c) agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an Affected Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) 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 11.20. Governing Law; Submission to Jurisdiction; Service of Process.

(a) Governing Law. This Agreement, each of the Notes and any other Related Writing (except as otherwise set forth in any Loan Document executed by a Foreign Subsidiary) shall be governed by and construed in accordance with the Laws of the State of New York and the respective rights and obligations of the Borrowers, the Administrative Agent, and the Lenders shall be governed by New York law.

(b) Submission to Jurisdiction. Each Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any New York state or federal court sitting in New York County, New York, over any action or proceeding arising out of or relating to this Agreement, the Obligations or any other Related Writing (except as otherwise set forth in any Loan Document executed by a Foreign Subsidiary), and each Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York state or federal court. Each Borrower, on behalf of itself and its Subsidiaries, hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Each Borrower agrees that a final, non-appealable 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) Service of Process. Each Foreign Guarantor of Payment hereby irrevocably appoints DMC Global (the "Process Agent"), 11800 Ridge Pkwy, Suite 300, Broomfield, CO 80021, as its agent and true and lawful attorney-in-fact in its name, place and stead to accept on its behalf service of copies of the summons and complaint and any other process that may be served in any such suit, action or proceeding brought in the State of New York, and agrees that the failure of the Process Agent to give any notice of any such service of process to it shall not impair or affect the validity of such service or, to the extent permitted by applicable law, the enforcement of any judgment based thereon. Such appointments shall be irrevocable until the final payment of all amounts payable under this Agreement and the other Loan Documents, except that if for any reason the Process Agent appointed hereby ceases to be able to act as such, then each Foreign Guarantor of Payment shall, by an instrument reasonably satisfactory to the Administrative Agent, appoint another Person as such Process Agent subject to the approval of the Administrative Agent. Each Foreign Guarantor of Payment covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designation of the Process Agent pursuant to this paragraph in full force and effect and to cause the Process Agent to act as such. Nothing herein shall in any way be deemed to limit the ability of any Person to serve any process or summons in any manner permitted by applicable law or to obtain jurisdiction over any other Person in such other jurisdictions, and in such manner, as may be permitted by applicable law.

[Remainder of page left intentionally blank]

JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, EACH BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG THE BORROWERS, THE ADMINISTRATIVE AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the parties have executed and delivered this Amended and Restated Credit and Security Agreement as of the date first set forth above.

Address: 11800 Ridge Pkwy, Suite 300
Broomfield, CO 80021
Attention: Chief Financial Officer

DMC GLOBAL INC.

By: /s/ Michelle Shepston
Name: Michelle Shepston
Title: Chief Legal Officer and Secretary

Address: c/o DMC Global Inc.
11800 Ride Pkwy, Suite 300
Broomfield, CO 80021
Attention: Chief Financial Officer

DMC KOREA, INC.

By: /s/ Michelle Shepston
Name: Michelle Shepston
Title: Vice President and Secretary

Address: c/o DMC Global Inc.
11800 Ridge Pkwy, Suite 300
Broomfield, CO 80021
Attention: Chief Financial Officer

DYNAENERGETICS US, INC.

By: /s/ Michelle Shepston
Name: Michelle Shepston
Title: Vice President and Secretary

Address: c/o DMC Global Inc.
11800 Ridge Pkwy, Suite 300
Broomfield, CO 80021
Attention: Chief Financial Officer

ARCADIA PRODUCTS, LLC

By: /s/ Michelle Shepston
Name: Michelle Shepston
Title: Vice President and Secretary

Signature Page to
Amended and Restated
Credit and Security Agreement

Address: 127 Public Square
Cleveland, Ohio 44114
Attention: Commercial Banking

KEYBANK NATIONAL ASSOCIATION
as the Administrative Agent, a Swing Line Lender, an Issuing Lender and as a Lender

By: /s/ Lynnette Ritter
Lynnette Ritter
Senior Vice President

Address: Colorado State Bank and Trust
1600 Broadway, 26th Floor
Denver, CO 80202
Attention: Matt Mason

BOKF, NA DBA BOK FINANCIAL

By: /s/ Matthew J. Mason
Name: Matthew J. Mason
Title: Senior Vice President

Signature Page to
Amended and Restated
Credit and Security Agreement

Address: U.S. Bank National Association
950 17th Street 12th Floor
Denver, CO 80202
Attention: Courtney A. Boltz

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Courtney A. Boltz
Name: Courtney A. Boltz
Title: Vice President

Signature Page to
Amended and Restated
Credit and Security Agreement

Address: CIBC Bank USA
1550 Wewatta St., Suite 520
Denver, CO 80238
Attention: Nick Davison

CIBC BANK USA

By: /s/ Zach Leonard
Name: Zach Leonard
Title: Managing Director

Exhibit 10.2

Execution Version

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

OF

ARCADIA PRODUCTS, LLC

December 23, 2021

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AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
ARCADIA PRODUCTS, LLC

This Amended and Restated Limited Liability Company Agreement of Arcadia Products, LLC, a Colorado limited liability company (the "Company"), is made and entered into effective as of December 23, 2021 (the "Effective Date") by and among the Company, DMC Global Inc., a Delaware corporation (the"DMC"), DMC Korea, Inc., a Colorado corporation ("DMC Korea" and together with DMC, the "DMC Members") and New Arcadia Holdings, Inc. (the "Munera Member"). The DMC Members, the Munera Member and each Person admitted as an additional or substitute Member of the Company pursuant to this Agreement are collectively referred to herein as the "Members" and are each individually referred to herein as a "Member."

RECITALS

WHEREAS, the DMC Members and the Munera Member are party to that certain Equity Purchase Agreement dated as of December 16, 2021 (as amended, modified or supplemented from time to time, the "Purchase Agreement");

WHEREAS, the Company is the entity resulting from the conversion of Arcadia, LLC, a California limited liability company (previously Arcadia, Inc., a California corporation), as contemplated by the Purchase Agreement on December 22, 2021, upon the filing of the Articles and a Certificate of Conversion with the Secretary of State of the State of Colorado;

WHEREAS, at the date of conversion, the Munera Member owned 100% of the Company pursuant to the Limited Liability Company Agreement of the Company dated December 21, 2021 (the "Original Agreement"), all as contemplated by the Purchase Agreement;

WHEREAS, effective as of December 22, 2021, DMC Korea acquired its Interest in the Company by acquiring 66.45 Units from the Munera Member in exchange for a contribution in cash in the amount of $4,750,000, and effective as of the consummation of the transactions contemplated by the Purchase Agreement (the "Effective Time"), DMC acquired its Interest in the Company by acquiring 3,920.64 Units from the Munera Member in exchange for a contribution in the amount of $280,250,000, subject to certain adjustments as set forth in the Purchase Agreement; and

WHEREAS, the parties hereto desire to enter into this Agreement effective as of the Effective Time on the Effective Date, which is deemed to be simultaneous with the Closing (as that term is defined in the Purchase Agreement) and with the Company's entry into the Senior Debt Facility, in order to amend and restate the Original Agreement to reflect the parties' mutual rights and obligations as set forth herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree that the Original Agreement is amended and restated in its entirety as follows:

ARTICLE I
DEFINED TERMS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:"Accounting Expert" has the meaning provided in Section 12.10(c).

"Accounting Period" means, for the first Accounting Period, the period commencing on the Effective Date and ending on the next Adjustment Date. All succeeding Accounting Periods shall commence on the day after an Adjustment Date and end on the next Adjustment Date.

"Acquisition Indebtedness" means any principal, interest, fees and other amounts due or that may be due with respect to or under amounts drawn by DMC under the Senior Debt Facility or otherwise related to the transaction contemplated by the Purchase Agreement.

"Additional Member" has the meaning provided in Section 4.8(a).

"Adjustment Date" means the last day of each fiscal year of the Company, the last day of the winding up of the Company, or any other date determined by the Board, in its sole and absolute discretion, as appropriate for an interim closing of the Company's books.

"Affiliate" means, with respect to a specified Person, any Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with the specified Person.

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company, as this agreement may be amended, modified, supplemented or restated from time to time after the Effective Date.

"Annual Capital Expenditure Budget" has the meaning provided in Section 5.11(b).

"Annual Operating Budget" has the meaning provided in Section 5.11(a).

"Articles" means the Articles of Organization of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Colorado pursuant to the Colorado Act.

"Bridge Loan" means that promissory note dated as of December ●, 2021 between DMC and [Synergex Group LLC, Trustee of the Munera Family ESBT].

"Bridge Loan Allocation" means for any transaction under Section 12.10, an amount equal to (a) the quotient of (i) the number of Option Units and (ii) the total number of Units held by the Munera Member at the date of the Option Closing, multiplied by (b) the total accrued and outstanding principal and interest under the Bridge Loan on such date.

"Business" has the meaning provided in Section 3.1.

"Business Competitor" means any Person other than the Company and its Subsidiaries that is engaged in Business activities.

"Business Day" means any day of the week other than a Saturday, Sunday or a day on which the commercial banks in New York, New York or Denver, Colorado are not open for business.

"Call Closing" has the meaning provided in Section 12.10(e).

"Call Consideration" has the meaning provided in Section 12.10(b).

"Call Notice" has the meaning provided in Section 12.10(b).

"Call Option" has the meaning provided in Section 12.10(b).

"Capital Account" has the meaning provided in Section 7.1.

"Capital Call" has the meaning provided in Section 7.4(a).

"Capital Call Amount" has the meaning provided in Section 7.4(a).

"Capital Call Notice" has the meaning provided in Section 7.4(a).

"Capital Contribution" means, for any Member, the total amount of cash and the Fair Market Value of any property contributed to the Company by such Member.

"Carrying Value" means with respect to any Interest purchased by the Company from any Involuntary Transferee, the value equal to the Capital Contribution made by such Member in respect of such Interest less the amount of distributions made in respect of such Interest.

"Cash" shall have the meaning ascribed thereto in the Purchase Agreement.

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

"Colorado Act" means the Colorado Limited Liability Company Act, as amended from time to time.

"CBCA" means the Colorado Business Corporation Act, as amended from time to time.

"Company" has the meaning provided in the Preamble.

"Contributing Member" has the meaning provided in Section 7.4(b).

"Control" or "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 ownership of or right to exercise voting power or voting securities, by contract or otherwise, and "controlling" and "controlled" shall have meanings correlative thereto. Without limiting the foregoing, a Person shall be deemed to be controlled by another Person if such other Person possesses, directly or indirectly, (a) power to vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors, managing general partners, managers, or members of the governing body or management of such Person, (b) powers of a general partner of a limited partnership, or (c) power to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Covered Person" means a current or former Member, Director or Tax Matters Member, and any Related Party of any such Person, or any current or former officer, employee or agent of the Company or any of its Affiliates.

"Distributable Amount" has the meaning provided in Section 9.1(a).

"DMC" has the meaning provided in the Preamble.

"DMC Common Stock" means shares of common stock of DMC, par value $0.05 per share.

"DMC Korea" has the meaning provided in the Preamble.

"DMC Members" has the meaning provided in the Preamble.

"DMC Series A Preferred Stock" means preferred stock of DMC, par value $.05, issued pursuant to a Certificate of Designations in a customary form to be agreed between DMC and the Munera Member with principal terms as set forth on Exhibit A hereto.

"Drag Notice" has the meaning provided in Section 12.8(b).

"EBITDA" means, for any period, the earnings of the Company and its Subsidiaries in that period plus any amounts deducted in the computation thereof for interest expense, taxes, depreciation and amortization, all as determined in accordance with GAAP and with reference to the financial statements of the Company and its Subsidiaries for such period.

"Economic Capital Account" means, with respect to any Member, such Member's Capital Account balance as of the date of determination, after crediting to such Capital Account any amounts that the Member is expressly obligated to restore, is treated as obligated to restore under Treasury Regulations Section 1.704-1(b)(2)(ii)(c), or is deemed obligated to restore under the penultimate sentences of Treasury Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5).

"Effective Date" has the meaning provided in the Preamble.

"Effective Time" has the meaning provided in the Recitals.

"Entity" means any Person other than an individual Person.

"Equity Value" means, as of any date, the quotient of (a) (i) nine and one-half (9.5) times the average annual EBITDA for the two (2) most recently completed Fiscal Years and the Projected Current Year EBITDA of the Company and its Subsidiaries prior to such date, minus (ii) the amount of Indebtedness of the Company and its Subsidiaries as of such date, plus (iii) the amount of Cash as of such date in excess of the Working Capital Peg, divided by (b) the aggregate number of outstanding Units as of such date.

"Exercising Party" has the meaning provided in Section 12.10(c).

"Exit Event" means:

(a) a transaction or series of transactions involving the sale, transfer or other disposition, including by way of merger, consolidation or other similar extraordinary transaction, by the Members of all of the Interests in the Company held by the Members; or

(b) a transaction or series of transactions involving the sale, transfer or other disposition of all of the assets of the Company and its Subsidiaries

in each case, to one or more Persons that are not (i) immediately prior to such sale, transfer or other disposition, Affiliates of the Company or any Member, and (ii) Persons in which any Member or Affiliate of a Member, or any immediate family members of any such Affiliate, has any material direct or indirect ownership or investment interest; *provided*, *that*, in no event shall an Initial Public Offering constitute an "Exit Event" for any purposes of this Agreement.

"Fair Market Value" means, as of any date,

(a) for purposes of determining the value of any property owned by, contributed to or distributed by the Company, (i) in the case of publicly traded securities, the average of their last sales prices on the applicable trading exchange or quotation system on each trading day during the five (5) trading day period ending on such date and (ii) in the case of any other property, the fair market value of such property, as determined upon a reasonable basis and in good faith by the Board and taking into account any liabilities encumbering such property; or

(b) for purposes of determining the value of any Member's Interest in connection with Section 12.5 ("Involuntary Transfers"), the fair market value of such Interest, as determined upon a reasonable basis and in good faith by the Board.

"Final Equity Value" means as of the specified date, the greater of (a) the Equity Value and (b) the Floor Value.

"Fiscal Year" means a fiscal year ending December 31.

"Floor Value" means the quotient of (a) (i) $467,700,000 minus (ii) the amount of Indebtedness of the Company and its Subsidiaries as of such date, plus (iii) the amount of Cash as of such date in excess of the Working Capital Peg, divided by (b) the aggregate number of outstanding Units as of such date.

"GAAP" means United States generally accepted accounting principles, consistently applied during the periods involved.

"Incapacity" occurs with respect to an individual when such individual has been judicially determined to lack capacity to act for himself or herself, or has voluntarily appointed a representative to act for him or her generally without restriction as it relates to the Company or its Subsidiaries.

"Indebtedness" shall have the meaning ascribed thereto in the Purchase Agreement, except that such amounts shall *include* principal, interest, fees and other amounts due or that may be due with respect to or under amounts drawn by the Company as a borrower under the Senior Debt Facility or used in furtherance of the Company's business and shall *exclude* Acquisition Indebtedness and Non-Company Indebtedness (whether or not the Company or any Subsidiary of the Company is contingently liable therefore or a guarantor thereof, and whether or not considered a liability for financial accounting or valuation purposes).

"Initial Public Offering" or "IPO" means the first underwritten public offering of the common stock (or other equity securities) of Newco or a Subsidiary of the Company to the general public through a registration statement filed with the Securities and Exchange Commission that (together with prior effective registrations) covers shares (or other equity securities) of Newco or such Subsidiary that will be traded on a national securities exchange after the close of any such general public offering.

"Interest" means the limited liability company interest in the Company which represents the interest of each Member in and to the profits and losses of the Company, and such Member's right to receive distributions of the Company's assets, as set forth in this Agreement.

"Majority in Interest" means, as of any given record date or other applicable time, the holders of a majority of the outstanding Units held by Members as of such date that are entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members.

"Makeup Contribution Amount" has the meaning provided in Section 7.4(b).

"Malfeasance" means (a) gross negligence or willful misconduct with respect to the Company or its Subsidiaries, (b) fraud or misappropriation of funds of the Company or its Subsidiaries or (c) conviction of a felony involving moral turpitude.

"Management Agreement" means that certain Management Agreement, dated as of the Effective Date, by and between the Company and DMC, as amended, supplemented or modified from time to time.

"Members" has the meaning provided in the Preamble.

"Member Nonrecourse Debt" has the same meaning as "partner nonrecourse debt" as set forth in Treasury Regulations Section 1.704-2(b)(4) and the term "Member Nonrecourse Debt Minimum Gain" has the same meaning as "partner nonrecourse debt minimum gain" as set forth in Treasury Regulations Section 1.704-2(i)(2).

"Munera Member" has the meaning provided in the Preamble.

"Net Profit" and "Net Loss" means, with respect to any Accounting Period, net income or net loss of the Company for such Accounting Period, determined in accordance with Section 703(a) of the Code, including any items that are separately stated for purposes of Section 702(a) of the Code, as determined in accordance with federal income tax accounting principles with the following adjustments:

(a) any income of the Company that is exempt from United States federal income tax shall be included as income;

(b) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as such expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations shall be treated as current expenses;

(c) any items of income, gain, loss or deduction specially allocated pursuant to this Agreement, including pursuant to Section 8.2, shall be excluded from the determination of Net Profit and Net Loss;

(d) treating as an item of gain (loss) the excess (deficit), if any, of the Fair Market Value of property distributed in such Accounting Period over (under) the amount at which such property was carried on the books of the Company.

(e) if property is reflected in the Capital Accounts at a book value that is different from its adjusted basis, then (i) depreciation and amortization deductions with respect to such property shall be determined based upon such book value in accordance with Section 1.704-1(b)(2)(iv)(g)(3) of the Treasury Regulations or, as applicable, Section 1.704-3(d)(2) of the Treasury Regulations, and (ii) gain or loss shall be determined with reference to such book value in lieu of adjusted basis;

(f) if the book value as determined for purposes of maintaining the Capital Accounts of any asset is adjusted pursuant to Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the book value of the asset) or an item of loss (if the adjustment decreases the book value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) to the extent an adjustment to the adjusted tax basis of any asset pursuant to Code Section 734(b) is required, pursuant to Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations, to be taken into account in determining Capital Account balances as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or an item of loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses.

"Neutral Accounting Firm" has the meaning provided in Section 12.10(c).

"New Securities" means Units or any other Interests, including any securities exchangeable or exercisable for, or convertible into, such Interests, issued after the Effective Date.

"Non-Company Indebtedness" means any principal, interest, fees and other amounts due or that may be due with respect to or under indebtedness incurred or drawn by any borrower under the Senior Debt Facility other than the Company, the proceeds of which are not used in furtherance of the Company's business. For example, and without limitation, any indebtedness borrowed by or used in DMC or DMC's Subsidiaries other than the Company is Non-Company Indebtedness, to the extent it is so used.

"Non-Contributing Member" has the meaning provided in Section 7.4(b).

"Offered Units" has the meaning provided in Section 12.8(a).

"Option Closing" means a Put Closing or a Call Closing, as the context requires.

"Option Notice" means a Put Notice or a Call Notice, as the context requires.

"Option Purchase Agreement" means an equity purchase agreement mutually agreed between one or more DMC Members and the Munera Member that includes customary representations and warranties from the Munera Member and customary indemnification provisions for the sale of equity interests (e.g., with the DMC Members to

be fully indemnified if the Options Units are not sold free and clear of any liens, encumbrances or restrictions on transfer).

"Option Purchase Price" means the amount equal (a) to the product of (i) the Final Equity Value as of the date of the Option Closingmultiplied by (ii) the total number of all Option Units being sold at the Option Closing, minus (b) any Bridge Loan Allocation. Effective simultaneously with a Put Closing or a Call Closing, the Bridge Loan shall be deemed repaid to the extent that the Bridge Loan Allocation reduces the Option Purchase Price pursuant to the preceding sentence.

"Option Purchase Price Dispute" has the meaning provided in Section 12.10(c).

"Option Purchase Price Dispute Statement" has the meaning provided in Section 12.10(c).

"Option Share Issue Price" means a price equal to the volume weighted average trading price for shares of DMC Common Stock on The Nasdaq Global Select Market (or, if shares of DMC Common Stock are not then listed on The Nasdaq Global Select Market, on the securities exchange on which shares of DMC Common Stock are listed) over the period consisting of the sixty (60) consecutive trading days immediately preceding the date of the Option Notice or ROFR Option Notice.

"Option Units" means all of the Units held by the Munera Member as of the date of any Put Notice delivered pursuant Section 12.10(a) or Call Notice delivered pursuant Section 12.10(b).

"Original Agreement" has the meaning provided in the Recitals.

"Other Member" has the meaning provided in Section 12.8(a).

"Owing Member" has the meaning provided in Section 9.6.

"Partnership Minimum Gain" has the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Treasury Regulations.

"Percentage Interest" means, for each Member, as of any date, the percentage determined by multiplying by one hundred (100) the quotient of (a) the number of Units held by such Member divided by (b) the aggregate number of outstanding Units.

"Person" means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company or other legal entity or organization.

"Priority Loan" has the meaning provided in Section 7.4(b).

"Projected Current Year EBITDA" means the estimate of EBITDA for the current Fiscal Year as approved by the Board and as reflected in DMC's financial guidance to the public.

"Purchase Agreement" has the meaning provided in the Recitals.

"Put Closing" has the meaning provided in Section 12.10(e).

"Put Consideration" has the meaning provided in Section 12.10(a).

"Put Notice" has the meaning provided in Section 12.10(a).

"Put Option" has the meaning provided in Section 12.10(a).

"Qualifying Transaction" means a proposed Transfer by the Selling Member, to a Person or Persons who are not Affiliates of the Selling Member, in which the value of the consideration to be received by the Other Member for each Unit transferred would be equal to or greater than the Final Equity Value as of the date of the Selling Member Notice or Drag Notice.

"Receiving Party" has the meaning provided in Section 12.10(c).

"Registration Rights Agreement" means a registration rights agreement in form and substance approved by the Board.

"Related Party" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, managers, shareholders, partners, members, employees, advisors, representatives and agents of such Person and such Person's Affiliates.

"Resolution Period" has the meaning provided in Section 12.10(c).

"Restricted Member" means any Member other than the DMC Members or their successors or assigns and such Member's Affiliates.

"Restricted Period" has the meaning provided in Section 4.6.

"Revised Partnership Audit Provisions" means the partnership audit provisions enacted in the Bipartisan Budget Act of 2015, as they may be amended from time to time, and any Treasury Regulations (or other guidance from the Internal Revenue Services or U.S. Treasury Department or both) issued thereunder.

"ROFR Notice Period" has the meaning provided in Section 12.8(a).

"ROFR Offer Notice" has the meaning provided in Section 12.8(a).

"Rule 144" has the meaning provided in Section 6.1(b).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Selling Member" has the meaning provided in Section 12.8(a).

"Selling Member Notice" has the meaning provided in Section 12.8(a).

"Senior Debt Facility" means that certain Amended and Restated Credit and Security Agreement dated on or about the Effective Date, among DMC and certain of its subsidiaries, including the Company, as borrowers, KeyBank, National Association, as administrative agent, and the lenders and other parties from time to time party thereto, as the same may be amended, restated, amended and restated, supplemented, extended, renewed, refinanced, replaced or otherwise modified from time to time.

"Subsidiary" means, with respect to any Person, any Entity controlled by such Person (either alone or through or together with any other Subsidiary).

"Super-Majority Board Approval" has the meaning provided in Section 5.1(a)(iii).

"Target Balance" means, with respect to any Member as of the close of any Accounting Period for which allocations are made under Article VIII, the amount such Member would receive (or be required to contribute) in a hypothetical liquidation of the Company as of the close of such period, assuming for purposes of any such hypothetical liquidation (i) a sale of all of the assets of the Company at prices equal to their then book values (as maintained by the Company for purposes of, and as maintained pursuant to, the capital account maintenance provisions of Treasury Regulations Section 1.704-1(b)(2)(iv)) and (ii) the distribution of the net proceeds thereof to the Members pursuant to the provisions of Article IX (after the payment of all actual Company indebtedness, including all Priority Loans, and any other liabilities related to the Company's assets, limited, in the case of non-recourse liabilities, to the collateral securing or otherwise available to satisfy such liabilities). If such Member would be required to contribute, the "Target Balance" will be reflected as a negative value.

"Target Distribution" means aggregate annual distributions based on 75% of annual EBITDA for the previous completed fiscal year after deducting cash paid for taxes and bank interest expense and with appropriate cash reserves for immediate working capital needs and known liabilities, in each case in the reasonable judgment of the Board.

"Tax Matters Member" has the meaning provided in Section 10.2(b).

"Transfer" means a direct or indirect transfer, assignment, sale or other disposition (including the creation of any derivative or synthetic interest, but excluding any Hypothecation), or the act of so doing, as the context requires.

"Treasury Regulations" means the Regulations of the Treasury Department of the United States issued pursuant to the Code.

"Unit" means a unit of Interests.

"Working Capital Peg" shall mean the average of the Net Working Capital (as that term is defined in the Purchase Agreement) as of the end of each of the 12 months preceding the date the Working Capital Peg is determined pursuant to this Agreement.

ARTICLE II
FORMATION OF THE COMPANY

Section 2.1 Formation. The Company was reorganized in Colorado upon the filing of the Articles and a Certificate of Conversion with the Secretary of State of the State of Colorado and hereby continues as a limited liability company under and pursuant to the Colorado Act and the Articles.

Section 2.2 Company Name. The name of the Company is Arcadia Products, LLC. The business of the Company may be conducted under such other names as the Board may from time to time designate.

Section 2.3 The Articles, etc. Any authorized person of the Company shall execute, deliver, file and record all such other certificates and documents, including amendments to or restatements of the Articles, and do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property, and the conduct of business under the laws of the State of Colorado and any other jurisdiction in which the Company may own property or conduct business.

Section 2.4 Term of Company. The term of the Company in Colorado commenced on the date of the filing of the Articles and the Certificate of Conversion with the Secretary of State of the State of Colorado. The Company may be terminated in accordance with the terms and provisions hereof, and shall continue unless and until dissolved as provided in Article XIII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Articles as provided in the Colorado Act.

Section 2.5 Registered Agent and Office. The Company's registered agent and office in the State of Colorado shall be ●. The Board may designate another registered agent and/or registered office from time to time in accordance with the then applicable provisions of the Colorado Act and any other applicable laws.

Section 2.6 Principal Place of Business. The principal place of business of the Company shall be located at 2301 E. Vernon Ave., Vernon, CA 90058. The location of the Company's principal place of business may be changed by the Board from time to time in accordance with the then applicable provisions of the Colorado Act and any other applicable laws.

Section 2.7 Qualification in Other Jurisdictions. Any authorized person of the Company shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

Section 2.8 Fiscal Year; Taxable Year. The fiscal year of the Company for financial accounting purposes shall be the same as its taxable year. The taxable year of the Company for federal, state and local income tax purposes shall end on December 31 unless otherwise required by applicable tax law or as determined by the Tax Matters Member in accordance with applicable tax law.

Section 2.9 Effectiveness. This Agreement shall be effective as of the Effective Time.

ARTICLE III
PURPOSE AND POWERS OF THE COMPANY

Section 3.1 Purpose. The purposes of the Company are, and the nature of the business to be conducted and promoted by the Company is, to engage (a) generally in the business of the design, manufacture and sale of architectural building products (the "Business"), (b) subject to Section 5.1(a)(ii), in any lawful act or activity for which limited liability companies may be formed under the Colorado Act and (v) in all acts or activities as the Company deems necessary, advisable or incidental to the furtherance of the foregoing.

Section 3.2 Powers of the Company. The Company shall have the power and authority to take any and all actions that are necessary, appropriate, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 3.1.

Section 3.3 Tax Partnership. The Company and each Member intend that the Company shall be treated as a partnership for U.S. federal and applicable state or local income tax purposes and the Company shall not elect, and the Board shall not permit the Company to elect, to be treated as an association taxable as a corporation for U.S. federal income tax purposes under Treasury Regulations Section 301.7701-3 or under any corresponding provision of state or local law without the prior written consent of all of the Members. Each Member and the Company shall file all tax returns consistent with the foregoing and shall otherwise take all tax positions in a manner consistent with such intended treatment of the Company as a partnership for U.S. federal, state and local income tax purposes. The Company and the Board shall not, without the prior written consent of all of the Members, permit the registration or listing of interests in the Company on an "established securities market" or a "secondary market or the substantial equivalent thereof" as such terms are used in Treasury Regulations Section 1.7704-1.

ARTICLE IV
MEMBERS

Section 4.1 Powers of Members. The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to the express terms of this Agreement. The approval or consent of the Members shall not be required in order to authorize the taking of any action by the Company and the Members shall have no right to reject, overturn, override, veto or otherwise approve or pass judgment upon any action taken by the Board or an authorized officer of the Company, unless and then only to the extent that (a) this Agreement shall expressly provide therefor (including Section 5.1(a)(iv) hereof), (b) such approval or consent shall be required by non-waivable provisions of the Colorado Act or (c) the Board shall have determined in its sole and absolute discretion that obtaining such approval or consent would be appropriate or desirable. The Members, as such, shall have no power or authority to bind the Company.

Section 4.2 Interests. All Interests shall be denominated in Units. The number of Units held by the Members as of the Effective Time after giving effect to the consummation of the transactions contemplated by the Purchase Agreement are set forth on Schedule A. The number of Units held by each Member as of any given time after the Effective Time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement. The authorization of any additional classes of Units shall be subject to the approval requirements of Section 5.1(a)(iii). Subject to the approval requirements of Section 5.1(a)(iii), Units in a particular class may be issued from time to time, to such Persons, in such amounts, at such prices and on such terms as the Board may determine.

Section 4.3 Meetings of Members.

(a) Meetings; Notice of Meetings. Meetings of the Members, including any special meeting, may be called by the Secretary of the Company, the Chairman of the Board or any Member from time to time. Notice of any such meeting shall be given to all Members not less than ten (10) nor more than sixty (60) calendar days prior to the date of such meeting and shall state the location, date and hour of the meeting and, in the case of a special meeting, the nature of the business to be transacted. Meetings shall be held at the location (within or without the State of Colorado) at the date and hour set forth in the notice of the meeting. Any one or more Members may participate in a meeting of the Members by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other, and participating in a meeting by such means shall constitute presence in person at such meeting.

(b) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a written waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) Quorum. The presence in person or by proxy of the holders of record of a Majority in Interest shall constitute a quorum for the transaction of business at such meeting.

(d) Voting. If the Board has fixed a record date, every holder of record of Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members shall be entitled to one (1) vote for each such Unit outstanding in such Member's name at the close of business on such record date. If no record date has been so fixed, then every holder of record of such Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members shall be entitled to one (1) vote for each Unit outstanding in its name on the close of business on the day next preceding the day on which notice of the meeting is given or the first consent in respect of the applicable action is executed and delivered to the Company, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by this Agreement, the vote of a Majority in Interest at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting.

(e) Proxies. Each Member may authorize any Person to act for such Member by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or such Member's attorney in fact. No proxy shall be valid after the expiration of three years from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it unless otherwise provided in such proxy, *provided*, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(f) Organization. Each meeting of Members shall be conducted by such Person as the Board may designate.

(g) Action Without a Meeting. Unless otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by a Majority in Interest (unless a higher percentage is required by this Agreement, in which case it shall be signed by Members holding at least such higher percentage). A copy of the action taken by written consent shall be filed with the records of the Company and, upon written request, a copy of such action shall be given to all Members who have not consented in writing to the taking of such action.

(h) Approved Agreements. The Management Agreement, as in effect on the Effective Date, has been approved in all respects (including by all the

Members pursuant to the execution of this Agreement), and, except as otherwise provided in such agreement, any management fees or other amounts payable to DMC or any of its Affiliates thereunder shall not be subject to any further approval hereunder or otherwise. The Senior Debt Facility, as in effect on the Effective Date, has been approved in all respects, and the Members hereby ratify the approval of the Senior Debt Facility by the members of the Company as set forth on Exhibit C hereto.

Section 4.4 Business Transactions of a Member with the Company. Subject to the prior approval of the Board and Section 5.1(a)(iv), a Member (or an Affiliate thereof) may lend money to, borrow money from, act as surety or endorser for, guarantee or assume one or more specific obligations of, provide collateral for, or transact any other business with the Company or any of its Subsidiaries.

Section 4.5 No Cessation of Membership upon Bankruptcy. A Person shall not cease to be a Member of the Company upon the happening, with respect to such Person, of such Person's bankruptcy or insolvency.

Section 4.6 Restricted and Non-Restricted Activities.

(a) Each Restricted Member covenants and agrees that during the period of its direct or indirect ownership of an Interest in the Company (the "Restricted Period"), such Person and its Affiliates shall not directly or indirectly own, manage, operate or Control, or participate in the ownership, management, operation or Control of, any Business Competitor in the United States; *provided*, that nothing in this Section 4.6(a) shall prohibit a Restricted Member from acquiring or owning, directly or indirectly up to three percent (3%) of the aggregate securities of any Business Competitor that is a publicly traded Entity, so long as such Member or its Affiliates does not serve on the board of directors or similar governing body of such Business Competitor or its Affiliates.

(b) Subject to the foregoing restrictions set forth in this Section 4.6, the other terms of this Agreement, and the obligations of any Member or any Affiliate of any Member under any agreement between such Person and the Company or its Subsidiaries, (i) each Member and each of their respective Affiliates may engage in, or possess an interest in, other business ventures of any nature or description, independently or with others, and the Company and the other Members shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture shall not be deemed wrongful or improper; and (ii) none of the Members or the Directors, nor any of their respective Affiliates shall be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that, if presented to the Company, could be taken by the Company; and each Member, each Director, and each of their respective Affiliates shall have the right to take for such Person's own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

Section 4.7 Confidentiality.

(a) Each Restricted Member hereby acknowledges that, in connection with the operation of the Company and its Subsidiaries, such Restricted Member and its Designated Directors may have access to confidential material regarding the operations of the Company and its Subsidiaries or the other Members. Each Restricted Member agrees that it shall, and shall cause its Designated Directors to: (i) take all reasonable steps necessary to hold and maintain such confidential information in confidence and not to disclose it to any third party, except as required by law or legal process; and (ii) only disclose such confidential information to (A) his or her employees, advisors and agents who have a need to know such information in order to assist such Restricted Member or its Designated Directors to evaluate and/or monitor such Restricted Member's investment in the Company, to carry out his or her responsibilities to the Company or to comply with any laws, rules or regulations applicable to such Restricted Member or its Designated Directors, or (B) in the case of reports furnished by the Company to such Restricted Member pursuant to Section 10.1(b), to beneficial owners and Affiliates of the Restricted Member, and to each of their respective lenders and financial advisors, in each case so long as such Persons are each bound to keep such information confidential in accordance with the terms of this Agreement.

(b) Each Restricted Member agrees that, upon the dissolution and termination of the Company or withdrawal of the Restricted Member from the Company, the Restricted Member will return to each requesting Member and/or the Company, as appropriate, or destroy all confidential information of that Member or the Company (other than tax information of the Company attributable to the returning Restricted Member's Interest therein) then in its or its Designated Directors' possession and specified in the request. Each Restricted Member further agrees upon request to return or destroy all other memoranda, notes, copies, or other writings which contain confidential information of the other Members and/or the Company (other than tax information of the Company attributable to the returning Restricted Member's Interest therein).

(c) The provisions of this Section 4.7 shall apply to each Restricted Member, regardless of the status of such Restricted Member as a member of the Company, while such Restricted Member is a member of the Company and for a period of two (2) years from the effective date of the termination of the applicable Restricted Member's status as a member of the Company or if the confidential information constitutes a trade secret, as defined under applicable law, then the life of the trade secret. The term "confidential information" under this Section 4.7 shall not include information that (i) is publicly available (other than as a result of a breach of this Agreement) or (ii) was or becomes available to a Restricted Member on a non-confidential basis from a source other than the Company or its representatives, *provided* that such source is not to such Restricted Member's knowledge bound to a confidentiality agreement with the Company with respect to such confidential information.

Section 4.8 Additional Members.

(a) Admission. Subject to Section 5.1(a)(iii), the Company may admit one or more additional Members (each an "Additional Member") to be treated as a "Member" or one of the "Members" for all purposes hereunder. Each Person shall be admitted as an Additional Member at the time such Person (i) executes a joinder agreement to this Agreement, (ii) complies with the applicable Board resolution, if any, with respect to such admission and (iii) is named as a Member in Schedule A hereto. The Board is authorized to amend Schedule A to reflect any such admission and any actions pursuant to Section 4.8(b) below.

(b) Rights and Obligations of Additional Members. Upon the admission of an Additional Member and subject to Sections 5.1(a)(iii) and 14.12:

(i) the Board shall determine the Capital Contribution (if any) of such Additional Member;

(ii) the Board shall determine the rights, if any, of such Additional Member to appoint Directors to the Board (subject to Section 5.1(a));

(iii) such Additional Member shall make Capital Contributions to the Company in an amount (if any) determined by the Board; and

(iv) without duplication of any of foregoing, the Board shall issue Interests, if any, to such Additional Member.

(c) Notice. The Board will ensure that notice of the admission of any Additional Members is given to the Secretary of the Company, so that they may make the required amendments to Schedule A hereto.

ARTICLE V
MANAGEMENT

Section 5.1 Board.

(a) Management Authority.

(i) Generally. The business and affairs of the Company shall be managed by or under the direction of a committee of the Company (the "Board") consisting of up to seven (7) natural persons (each a "Director"). The number of Directors comprising the Board may be changed only with the consent of both the DMC Members and the Munera Member. Directors need not be Members. Except as otherwise expressly provided in this Agreement, the Board shall have full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 3.2 of this Agreement to the extent such powers and actions would be within the scope of authority granted under the CBCA to the board of directors of a corporation organized under the laws of the State of Colorado.

(ii) Actions Requiring Board Approval. Notwithstanding the general authority of the Board set forth in Section 5.1(a)(i), and subject to Section 5.1(a)(iii) and Section 14.12, the Company shall not, and shall not, in circumstances where the Company has the authority to cause a Subsidiary to take or omit to take such actions, permit or cause any of the Company's Subsidiaries to, directly or indirectly, take any of the following actions without the prior approval of the Board:

(A) taking actions requiring approval under Section 5.1(a)(iii) and Section 5.1(a)(iv);

(B) amending, modifying or supplementing this Agreement, or becoming a party to any agreement which by its terms restricts or is inconsistent with its performance of its obligations under this Agreement;

(C) amending the Articles;

(D) fixing the timing and amounts of, and making, distributions by the Company to its Members;

(E) adopting or amending in any material respect any multi-year business plan, annual plan or annual operating budget;

(F) materially deviating from the Annual Operating Budget then in effect;

(G) amending in any material respect any Annual Capital Expenditure Budget;

(H) making any Capital Expenditure in excess of an Annual Capital Expenditure Budget;

(I) other than under the Senior Debt Facility, (1) creating, incurring, assuming or suffering to exist, (2) amending, restating, extending, consenting, waiving or otherwise modifying the terms of or documentation governing or (3) repaying (other than in accordance with its terms) or prepaying, any existing or future indebtedness for borrowed money or notes, other than Priority Loans;

(J) other than under the Senior Debt Facility, guarantying or Hypothecating assets or securities in support of the obligations of any other Person;

(K) lending money to any other Person, or modifying the terms of any loans to any other Person;

(L) (1) selling, leasing, transferring or otherwise disposing (including through entry into a joint venture with another Person) of any material assets or group of material assets of the Company or its Subsidiaries having a net book value in excess of $2.0 million or (2) granting a license of intellectual property or materially modifying any such license, in each case other than in the ordinary course of business;

(M) (1) purchasing, acquiring or obtaining all or a substantial portion of the business of another Person for consideration (including assumed liabilities), whether by way of an asset purchase, stock or other equity purchase, merger, consolidation or otherwise, or (2) acquiring, structuring, financing or selling, or investing in, any real property interest, or any entity holding real property interests, including but not limited to the exercise of any rights of first refusal or first offer, put or call rights, buy-sell rights, or similar rights, in each case other than in the ordinary course of business;

(N) appointing or removing any officers of the Company or its Subsidiaries or entering into any employment agreements with employees of the Company or its Subsidiaries;

(O) (1) commencing, settling or compromising any litigation or arbitration, other than actions to collect amounts owed, or (2) settling or compromising any claim, litigation or arbitration on terms that require the payment of amounts greater than $100,000 in each case or restrict the activities of the Company, a Member or any of their respective Affiliates;

(P) entering into, modifying or terminating any contracts, agreements, leases or other undertakings that provide for total expenditure of greater than $250,000 in each case and are not terminable without cost or liability on ninety (90) or fewer days' notice, other than in the ordinary course of business;

(Q) making any assignment for the benefit of creditors, or filing a petition for relief under bankruptcy or insolvency laws; or

(R) exercising any rights of approval or consent with respect to actions of any Subsidiary that is not controlled by the Company.

(iii) Actions Requiring Super-Majority Board Approval. Without limiting the general authority of the Board set forth in Section 5.1(a)(i) and notwithstanding approval of the Board pursuant to Section 5.1(a)(ii), the Company shall not, and shall not, in circumstances where the Company has the authority to cause a Subsidiary to take or omit to take such actions, permit or cause any of the Company's Subsidiaries to, directly or indirectly, take any of the following actions without the prior approval of at least 80% of the Directors ("Super-Majority Board Approval"):

(A) adopt or amend in any material respect any Annual Capital Expenditure Budget with contemplated capital expenditures in excess of twenty-five percent (25%) of EBITDA for the previous completed fiscal year;

(B) requesting the Members to contribute additional capital to the Company pursuant to Section 7.4;

(C) make aggregate distributions to its Members in any year that are less than the Target Distribution except to the extent a Target Distribution cannot be paid in compliance with applicable law, the terms of an Annual Capital Expenditure Budget approved under this Section 5.1(a)(iii) or the terms of an agreement that was previously approved by the Designated Directors of both the DMC Members and the Munera Member;

(D) enter into the ownership, active management, development or operation of any line of business other than the Business and businesses ancillary or incident thereto or otherwise change in any material respect the nature of the Business undertaken by the Company and its Subsidiaries;

(E) admit an additional Member of the Company, other than in connection with a Transfer that is otherwise expressly permitted under this Agreement;

(F) create, designate, authorize, issue, sell, grant, or enter into any agreement or plan providing for the issuance (contingent or otherwise) of, any Interests or other securities convertible into or exercisable for Interests except in accordance with Section 7.4(d) or otherwise change the equity structure of the Company or its Subsidiaries.

(G) effect an IPO or any other public offering of Units, Interests or other equity securities;

(H) effect an Exit Event;

(I) voluntarily liquidate, dissolve or wind up;

(J) make, revoke or modify any material tax election with respect to the Company or its Subsidiaries that would have a material adverse impact on the Munera Members;

(K) borrow or incur any liability under the Senior Debt Facility for any purpose outside the ordinary course of the Company's business, except as contemplated in an Annual Capital Expenditure Budget; or

(L) agree or otherwise commit to take any actions set forth in the foregoing subparagraphs (A) through (K).

(iv) Actions Requiring Unanimous Member Approval. The prior approval of (i) each Member shall be required for the entry by the Company or any of its Subsidiaries into any transaction on non-arms' length terms (except as expressly contemplated by this Agreement), or the amendment or waiver of rights of the Company or any of its Subsidiaries under any agreement for any such transaction, between the Company or any Subsidiary of the Company, on the one hand, and any Member or Affiliate of any Member (other than the Company and its Subsidiaries), on the other hand, and (ii) the affected Member shall be required for the entry by the Company or any of its Subsidiaries into any agreement that purports to restrict the business activities of any Member or any of its Related Parties. Any action taken in violation of this Section 5.1(a)(iv) shall be void ab initio and of no force or effect. Notwithstanding the foregoing, neither Section 5.1(a)(iii) nor this Section 5.1(a)(iv) shall apply to entering into the Senior Debt Facility or the transactions contemplated thereby.

(b) Election of Directors.

(i) Initial Directors; Term. The Board shall initially consist of seven (7) Directors. The initial Directors of the Company will be Kevin Longe, Michael Kuta, Michelle Shepston, James Schladen, Gerard Munera, Catherine Munera and Emmanuelle VanVleet. Each Director shall hold office until a successor is appointed in accordance with this Section 5.1(b) or until such Director's earlier death, resignation or removal in accordance with the provisions hereof.

(ii) Composition.

(A) The DMC Members shall have the right to appoint four (4) Directors. A Director appointed by the DMC Members shall serve as Chairman of the Board.

(B) So long as the Munera Member holds a Percentage Interest of at least 25%, the Munera Member shall have the right to appoint three (3) Directors. If the Munera Member holds a Percentage Interest less than 25% but greater than 15%, the Munera Member shall have the right to appoint two (2) Directors. If the Munera Member holds a Percentage Interest less than 15% but greater than 5%, the Munera Member shall have the right to appoint one (1) Director. If the Munera Member's Percentage Interest falls below 5%, the Munera Member shall no longer have a right to appoint a Director.

(C) Each Director appointed by the DMC Members or the Munera Member in accordance with this Section 5.1(b)(ii) is referred to as a "Designated Director" of the DMC Members or the Munera Member, as applicable. In the event that any Director appointed by a Member for any reason ceases to serve as a member of the Board during his or her term in office, that Member shall have the right to designate a representative to fill the resulting vacancy on the Board. In the event that the Munera Member loses the right to appoint a Director due to a decrease in Percentage Interest under Section 5(b)(ii)(B), the Designated Director serving in such capacity as of the date of the decrease shall be deemed to resign from his or her position as of such date.

The Designated Directors of the DMC Members shall initially be Kevin Longe, Michael Kuta, Michelle Shepston and James Schladen, with Kevin Longe to serve as Chairman of the Board. The Designated Directors of the Munera Members shall initially be Gerard Munera, Catherine Munera and Emmanuelle VanVleet.

(c) Furtherance of Actions. To the extent that any Director serves as a director or officer of a Subsidiary of the Company, each such Director shall take all necessary actions in his or her applicable capacity at such Subsidiary to effectuate any action taken by the Board, including, without limitation, voting as directed by the Board.

Section 5.2 Meetings of the Board.

(a) The Board shall meet from time to time to discuss the business of the Company. The Board may hold meetings either within or without the State of Colorado. Attendance at meetings of the Board may be in person, by conference telephone or by any other communications device by which all those participating in the meeting may hear each other. Directors who are unable to attend an in-person meeting of the Board or any committee thereof may participate in such meeting by conference telephone or other communications device and shall be considered present for all purposes during such participation. The Secretary of the Company, the Chairman of the Board or any of the Directors may call a meeting of the Board by providing two (2) Business Days' notice to each Director, either personally, by telephone, by email, by facsimile or by any other similarly timely means of communication which notice requirement may be waived by the Directors.

(b) The Company reserves the right to request the exclusion of the Designated Directors of either the DMC Members or the Munera Member from access to any material or meeting or a portion thereof during which the Company will be discussing any transaction between, or proposed to be entered into between, the Company or its Subsidiaries, on the one hand, and the DMC Members or their Affiliates, or the Munera Member or its Affiliates, as the case may be, on the other hand; *provided* such Designated Directors shall not be excluded from the portion of any meeting when a vote occurs, and such Designated Directors shall make their own determination as to whether to recuse themselves. Nothing in this Section 5.2(b) shall limit any applicable requirement to obtain the consent of Members under Section 5.1(a)(iv).

Section 5.3 Quorum and Acts of the Board. At all meetings of the Board, a majority of the Directors then in office shall constitute a quorum for the transaction of business. Each Director shall have one (1) vote on all matters before the Board; *provided*, *however*, that if at any time there are fewer Designated Directors of a Member serving on the Board or in attendance at a meeting of the Board than such Member is entitled to appoint pursuant to Section 5.1(b)(ii)(A) or (B), as applicable, the Designated Director or Directors of such Member then serving on the Board, or in attendance at a meeting of the Board, as applicable, shall have, in the aggregate, that number of votes equal to the votes the Designated Directors of such Member would have been entitled to vote if such Member had appointed all Directors they were entitled to appoint pursuant to Section 5.1(b)(ii)(A) or (B), as applicable, or if all Designated Directors of such Member were in attendance at such meeting of the Board. Except as otherwise provided in this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, upon at least two (2) Business Days' notice to the absent Directors, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if all members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board.

Section 5.4 Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, 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 in a meeting shall constitute presence in person at the meeting.

Section 5.5 Compensation of Directors and Officers.

(a) The Board shall have the authority to fix the compensation (if any) of the Directors. The Directors may be paid their expenses (if any) of attendance at such meetings of the Board. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor.

(b) The compensation and other employee benefits of the Officers of the Company shall be fixed by the Board;*provided* that the Chief Executive Officer shall have the right to recommend the amount and nature of such compensation and employee benefits to the Board from time to time, and at least annually, and the Board shall consult with the Chief Executive Officer concerning his or her recommendations and consider such recommendations in good faith.

Section 5.6 Resignation. Any Director may resign at any time by giving written notice to the Company. The resignation of any Director shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Members or the remaining Directors shall not be necessary to make it effective. Upon the effectiveness of any such resignation, such Director shall cease to be a "manager" (within the meaning of the Colorado Act).

Section 5.7 Removal of Directors.

(a) Subject to Section 5.7(b), each Director may be removed solely by the Member that designated such Director pursuant Section 5.1(b)(ii)(A) or (B), and may be removed by such Member at any time, with or without cause. Any such removal shall be without prejudice to the rights (if any) of such Director under any services or employment agreement between such Director and the Company or any Subsidiary of the Company that employs such individual (as an employee, consultant or otherwise), if applicable, and, if such Director is also a Member, shall not affect such Director's rights as a Member or constitute a withdrawal of such Member. Upon the removal of a Director, the Director shall cease to be a "manager" (within the meaning of the Colorado Act).

(b) Notwithstanding the foregoing, in the event any Director (i) has suffered an Incapacity, or (ii) has committed any Malfeasance, then the Board shall remove such Person from all of his duties to the Company and its Subsidiaries, and the DMC Members or the Munera Member, as applicable, shall remove such Person as a Designated Director of such Member.

Section 5.8 Vacancies. Any vacancy on the Board, by reason of death, resignation, removal or otherwise, shall be filled at any time in accordance with Section 5.1(b)(ii)(A) or (B), as applicable. A Director elected to fill a vacancy shall hold office until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal.

Section 5.9 Directors as Managers. Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the Colorado Act) of the Company. Notwithstanding the foregoing and the last sentence of Section 7-80-405 of the Colorado Act, no single Director shall have the power or authority to bind the Company and the Board shall have the power to act only collectively in the manner specified herein.

Section 5.10 Officers.

(a) The Board may appoint from time to time as it deems advisable, officers of the Company (collectively, the "Officers") and assign such officers titles (including, without limitation, President, Vice President, Finance, Vice President, Secretary and Treasurer). Unless the Board decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Colorado Act, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office, as described below or in any written resolution adopted by the Board and delivered to such person after the Effective Date setting forth the authorities and duties delegated to such person by the Board. The authorities delegated to an Officer under this Section 5.10 or in any such written resolution adopted by the Board are referred to herein as the "Delegation of Authorities." Any delegation to an Officer pursuant to this Section 5.10 may be revoked at any time by the Board and shall in any event be subject to the Delegation of Authorities for such Officer then in effect. Any Officer may be removed with or without cause by the Board, except as otherwise provided in any services or employment agreement between such Officer and the Company or any Subsidiary of the Company that employs such individual (as an employee, consultant or otherwise). The initial Officers of the Company will have such powers and duties as provided below:

(i) The Chairman shall preside at all meetings of the Board and of the Members at which he or she is present.

(i i) The President shall have responsibility for conducting the business of the Company in accordance with the direction of the Board. The President shall have such authority and duties as are appropriate and customary for the office of President, except for the actions requiring Board approval pursuant to Section 5.1(a)(ii) and (iii), the authority over which is reserved to the Board, and except as the same may be expanded or limited by the Board from time to time, including the Delegation of Authorities for the President then in effect. The President may delegate to the other Officers such powers as he or she may determine from time to time, *provided* that such powers are not reserved to or revoked by the Board.

(iii) The President shall have authority to execute, in the name and on behalf of the Company, contracts, bonds, mortgages and other documents in connection with the business of the Company, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Company and only to the extent such execution is authorized by the Board. The President may employ and discharge employees and agents of the Company, except such as shall be appointed by the Board, and he or she may delegate these powers.

(i v) Subject to the direction and control of the Board and the President, the Vice President, Finance shall be responsible for all financial and accounting matters of the Company and shall have control of the funds of the Company and the custody of all securities owned by the Company, subject to the Delegation of Authorities for the Vice President, Finance then in effect. The Vice President, Finance shall also perform such duties and exercise such powers as are normally associated with such title and such other duties as the Board or the President may from time to time to time prescribe or delegate to him or her.

(v) The Secretary shall give, or cause to be given, notice of all meetings of the Members and, upon the request of a person entitled to call a meeting of the Board, he or she will give notice of any such meeting. He or she shall keep the minutes of all meetings of the Members, the Board and any committee established by the Board. The Secretary shall be responsible for the maintenance of all records of the Company and may attest documents on behalf of the Company. The Secretary will perform such other duties as the Board, the President or any Vice President may from time to time prescribe or delegate to him or her.

(b) As of the Effective Date, the initial officers of the Company are as set forth onSchedule D.

Section 5.11 Affirmative Covenants. The Company shall take the following actions:

(a) Approval by the Board, in November of each year for the following fiscal year, of an annual operating budget, which shall include working capital reserves (the "Annual Operating Budget");

(b) Approval by the Board, under Section 5.1(a)(ii) or (iii) as applicable, in November of each year for the following fiscal year, of an annual Capital Expenditure Budget ("Annual Capital Expenditure Budget").

(c) Make aggregate annual distributions, a portion of which shall be paid each fiscal quarter, to Members of at least the Target Distribution, unless approved by the Board pursuant to Section 5.1(a)(iii).

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE MEMBERS

Section 6.1 Investment Representations and Warranties.

(a) Investment Intention and Restrictions on Disposition. Each Member represents and warrants that such Member is acquiring the Interests solely for such Member's own account for investment and not with a view to resale in connection with any distribution thereof. Each Member agrees that such Member will not, directly or indirectly, Transfer or offer to Transfer any of the Interests (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any of the Interests) or any interest therein or any rights relating thereto, except in compliance with the Securities Act, all applicable state securities or "blue sky" laws and this Agreement, as the same shall be amended from time to time. Any attempt by a Member, directly or indirectly, to Transfer, or offer to Transfer, any Interests or any interest therein or any rights relating thereto without complying with the provisions of this Agreement shall be void and of no effect.

(b) Securities Laws Matters. Each Member acknowledges receipt of advice from the Company that (i) the Interests have not been registered under the Securities Act or qualified under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Interests, (iii) the Interests must be held indefinitely and such Member must continue to bear the economic risk of the investment in the Interests unless the Interests are subsequently registered under the Securities Act and such state laws, or an exemption from registration is available, (iv) Rule 144 promulgated under the Securities Act ("Rule 144") is not presently available with respect to sales of any securities of the Company and the Company has made no covenant to make Rule 144 available and Rule 144 is not anticipated to be available in the foreseeable future, (v) when and if the Interests may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts and in accordance with the terms and conditions of such rule and the provisions of this Agreement, (vi) if the exemption afforded by Rule 144 is not available, public sale of the Interests without registration will require the availability of an exemption under the Securities Act, (vii) restrictive legends shall be placed on any certificate representing the Interests and (viii) a notation shall be made in the appropriate records of the Company indicating that the Interests are subject to restrictions on transfer and, if the Company should in the future engage the services of a transfer agent, appropriate stop transfer instructions will be issued to such transfer agent with respect to the Interests.

(c) Ability to Bear Risk. Each Member represents and warrants that (i) such Member's financial situation is such that such Member can afford to bear the economic risk of holding the Interests for an indefinite period and (ii) such Member can afford to suffer the complete loss of such Member's investment in the Interests.

(d) Access to Information; Sophistication. Each Member represents and warrants that (i) such Member is familiar with the business and financial condition, properties, operations and prospects of the Company and its Subsidiaries and that such Member has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Company and its Subsidiaries and the terms and conditions of the purchase of the Interests and to obtain any additional information that such Member deems necessary, (ii) such Member's knowledge and experience in financial and business matters is such that such Member is capable of evaluating the merits and risk of the investment in the Interests and (iii) such Member has carefully reviewed the terms and provisions of this Agreement and has evaluated the restrictions and obligations contained herein. In furtherance of the foregoing, each Member represents and warrants that, except as contemplated by the Purchase Agreement (x) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of the Company and its Subsidiaries or as to the desirability or value of an investment in the Company has been made to such Member by or on behalf of the Company, (y) such Member has relied upon such Member's own independent appraisal and investigation, and the advice of such Member's own counsel, tax advisors and other advisors, regarding the risks of an investment in the Company and (z) such Member will continue to bear sole responsibility for making its own independent evaluation and monitoring of the risks of its investment in the Company.

Section 6.2 Additional Representations and Warranties.

(a) Due Organization; Power and Authority, etc. Each Member represents and warrants that it is a limited liability company or corporation duly organized, validly existing and in good standing under the laws of its organization. Each Member further represents and warrants that it has all necessary organizational power and authority to enter into this Agreement and to carry out the transactions contemplated herein.

(b) Authorization; Enforceability. All actions required to be taken by or on behalf of each Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken, and this Agreement constitutes the valid and binding obligation of such Member, enforceable against such Member in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

(c) Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation by each Member of the transactions contemplated hereby and thereby in the manner contemplated hereby and thereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any statute, law, rule or regulation, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to such Member or by which such Member or any material portion of its properties is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon the financial condition, business or operations of such Member or upon such Member's ability to enter into and carry out its obligations under this Agreement.

(d) Executing Parties. The person executing this Agreement on behalf of each Member has full power and authority to bind such Member to the terms hereof.

Section 6.3 Certain Members. Notwithstanding anything to the contrary contained herein, the representations and warranties under this Article VI shall be deemed not to be made to Members not executing this Agreement or a joinder agreement to this Agreement.

ARTICLE VII
CAPITAL ACCOUNTS; CAPITAL CONTRIBUTIONS

Section 7.1 Capital Accounts. A separate capital account (a "Capital Account") shall be established and shall be maintained for each Member in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv) and this Article VII shall be interpreted and applied in a manner consistent with such regulations. The balance in each Member's Capital Account at the Effective Time is set forth on Schedule A.

Section 7.2 Adjustments to the Capital Accounts. As of the end of each Accounting Period, the balance in each Member's Capital Account shall be adjusted by (i) increasing such balance by (A) such Member's allocable share of Net Profit (allocated in accordance with Section 8.1) and (B) the amount of cash and the Fair Market Value of any property (as of the date of the contribution thereof and net of any liabilities encumbering such property) contributed to the Company by such Member during such Accounting Period, if any, and (ii) decreasing such balance by (A) the amount of cash and the Fair Market Value of any property (as of the date of the distribution thereof and net of any liabilities encumbering such property) distributed to such Member during such Accounting Period and (B) such Member's allocable share of Net Loss (allocated in accordance with Section 8.1). Each Member's Capital Account shall be further adjusted with respect to any special allocations pursuant to Section 8.2. The Company may adjust the Capital Accounts of its Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), to reflect revaluations (including any unrealized income, gain or loss) of the Company's property (including intangible assets such as goodwill), whenever it issues additional Interests, or whenever the adjustments would otherwise be permitted under such Treasury Regulations. In the event that the Capital Accounts of the Members are so adjusted, (i) the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property as set forth in clause (e)(i) of the definition of "Net Profits" and "Net Losses" in Section 1.1, and (ii) the Members' distributive shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to such property shall be determined so as to take account of the variation between the adjusted tax basis and book value of such property in the same manner as under Section 704(c) of the Code and Section 8.4(a) of this Agreement. The Capital Accounts shall be maintained for the sole purpose of allocating items of income, gain, loss and deductions among the Members and shall have no effect on the amount of any distributions to any Member in liquidation or otherwise. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Treasury Regulations, and the Company shall be permitted to adjust the Capital Accounts of the Members in a manner consistent with such Treasury Regulations. Without limiting the other rights and duties of a transferee of an Interest pursuant to this Agreement, in the event of a permitted sale or exchange of an Interest, (i) the Capital Account of the transferor will become the Capital Account of the transferee to the extent it relates to the transferred Interest in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv), and (ii) the transferee will be treated as the transferor for purposes of allocations and distributions pursuant to Articles VIII, IX and XIII to the extent that such allocations and distributions relate to the transferred Interest.

Section 7.3 Capital Contributions. Each Member that has made (or, with respect to the Units purchased from the Company pursuant to the Purchase Agreement, has been deemed to make, or with respect to the Units purchased from the Original Members, was made by those from whom such Member acquired its Units) a Capital Contribution on or prior to the Effective Date is listed on Schedule A with the amount of such Capital Contribution set forth opposite each Members name. Any contributions of property to the Company after the Effective Date shall be valued at their Fair Market Value.

Section 7.4 Additional Capital Contributions.

(a) The Board may request that each Member contribute additional capital to the Company from time to time to the extent approved pursuant to Section 5.1(a)(iii)(B) (a "Capital Call"), in each case, in an amount equal, for each Member, to its Percentage Interest of the total Capital Call (for each Member, its "Capital Call Amount"). Upon the Board's determination to make a Capital Call, the Company shall deliver written notice to each Member (each a "Capital Call Notice"), stating such Member's Capital Call Amount, the wire transfer instructions for transfer of its Capital Call Amount, the date by which its Capital Call Amount must be received (which shall in no event be earlier than fifteen (15) days following the date of the Capital Call Notice) and the Equity Value as of the date of the Capital Call. Each Member will have the right, but not the obligation, to participate in such Capital Call by delivering notice to the Company of its election to do so, which notice shall be delivered no later than ten (10) Business Days following receipt of the Capital Call Notice. Any Member electing to participate shall contribute its Capital Call Amount by wire transfer of immediately available funds in accordance with the corresponding Capital Call Notice, on or before the date stated in such Capital Call Notice.

(b) If for any reason any Member elects not to or fails to timely contribute its full Capital Call Amount pursuant to a Capital Call Notice (such Member, a "Non-Contributing Member"), the Company shall notify the other Member (the "Contributing Member") of such election or failure and state the amount that the Non-Contributing Member elected not to or failed to contribute (the "Makeup Contribution Amount"). If any Member is a Non-Contributing Member with respect to a Capital Call, then the Contributing Member may elect to (i) receive the return of any unmatched Capital Contribution made by it in respect of such Capital Call, (ii) convert any unmatched Capital Contribution made by it in respect of such Capital Call into a loan to the Company on the terms set forth in Section 7.4(c) (any such loan, a "Priority Loan"), or (iii) contribute to the Company the Makeup Contribution Amount or any portion thereof in addition to the Contributing Member's Capital Call Amount contributed pursuant to the Capital Call Notice for such Capital Call, in which case the provisions of Section 7.4(d) shall apply to the Makeup Contribution Amount or portion thereof so contributed.

(c) All Priority Loans shall bear interest on the outstanding principal amount thereof at an interest rate equal to the lesser of (i) eight percent (8%) per annum, or (ii) the maximum rate permitted by applicable law. All Priority Loans shall compound annually to the extent unpaid. Accrued interest on all amounts advanced under a Priority Loan shall be payable on each annual anniversary of the date such amounts are advanced. All Priority Loans shall be repaid in full prior to any distributions of Distributable Amounts to the Members under Article IX. In any event, each Priority Loan shall in all events mature five (5) years after the date it is funded. If more than one Priority Loan is outstanding, then repayment of all Priority Loans shall be made in the reverse order in which such Priority Loans were made (e.g., the most recent Priority Loan shall be repaid prior to repayment of the next most recent Priority Loan). Payments of Priority Loans shall be applied first to payment of outstanding interest and then to principal until all amounts due thereunder have been paid in full. Priority Loans shall be pre-payable, in whole or in part, at any time or from time to time, without penalty. Priority Loans shall be obligations of the Company and no Member shall be liable for repayment of any Priority Loan or any interest thereon.

(d) If the Contributing Member has elected to proceed under clause (iii) of the second sentence of Section 7.4(b), then notwithstanding any other provision of this Agreement to the contrary, upon the Contributing Member's contribution to the Company of the Makeup Contribution Amount or any portion thereof in addition to the Contributing Member's Capital Call Amount contributed pursuant to the Capital Call Notice for such Capital Call, the Company shall issue to the Contributing Member that number of additional Units equal to the quotient of (i) the Makeup Contribution Amount (or the portion thereof, if applicable) contributed by the Contributing Member in respect of the Non-Contributing Member's failure or election not to contribute in accordance with such Capital Call, divided by (b) the Equity Value as of the Capital Call date stated in the Capital Call Notice

(e) Except as provided in Section 7.4(d), no additional Units shall be issued in connection with any contributions of additional capital to the Company by or on behalf of the Members pursuant to the foregoing provisions of this Section 7.4.

(f) Unless a Member elects to contribute its Capital Call Amount pursuant to a Capital Call Notice, no Member shall be required to make any additional Capital Contributions to the Company.

(g) The provisions of this Section 7.4 are intended solely to benefit the Members and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a third party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the Company to make any additional capital contributions or to cause the Board to consent to the making of additional capital contributions.

Section 7.5 Negative Capital Accounts. Except as required by law, no Member shall be required to make up a negative balance in its Capital Account, whether to the Company or any other Member or for the benefit of any creditor of the Company.

ARTICLE VIII
ALLOCATIONS

Section 8.1 Book Allocations of Net Profit and Net Loss.

(a) Subject to, and after applying, Section 8.2, and subject to the terms of any other agreement of the Members, Net Profit and Net Loss, as the case may be (and to the extent determined by the Board to be necessary and appropriate to achieve the resulting Economic Capital Account balances described in this Section 8.1(a) but without causing (by virtue thereof) any Interest to be construed as a guaranteed payment under Code Section 707, any allocable items of gross income, gain, loss and expense includable in the computation of Net Profits and Net Loss), shall be allocated among the Members in such ratio or ratios as may be required to cause the balances of the Members' Economic Capital Accounts to equal, as nearly as possible, their Target Balances, consistent with the provisions of Section 8.1(b).

(b) The allocation provisions contained in this Article VIII are intended to comply with Code Sections 704(b) and 704(c) and the Treasury Regulations promulgated thereunder and shall be interpreted and applied in a manner consistent therewith.

Section 8.2 Special Book Allocations.

(a) Qualified Income Offset. If any Member unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) and such adjustment, allocation or distribution causes or increases a deficit in such Member's Economic Capital Account (a "Deficit"), items of gross income and gain for such Accounting Period and each subsequent Accounting Period shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit of such Member as quickly as possible; *provided* that an allocation pursuant to this Section 8.2(a) shall be made only if and to the extent that such Member would have a Deficit after all other allocations provided for in this Article VIII have been tentatively made as if this Section 8.2(a) were not in this Agreement. This Section 8.2(a) is intended to comply with the qualified income offset provision of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(b) Partnership Minimum Gain. Except as otherwise provided in Treasury Regulations Section 1.704-2(f), if there is a net decrease in Partnership Minimum Gain during any Accounting Period, each Member shall be specially allocated items of Company income and gain for such Accounting Period in proportion to, and to the extent of, an amount equal to the portion of such Member's share of the net decrease in Partnership Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). This Section 8.2(b) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(c) Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Members in accordance with their Units. For purposes of this Section 8.2(c), the term "Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

(d) Member Nonrecourse Debt. Notwithstanding any other provisions of this Article VIII to the extent required by Treasury Regulations Section 1.704-2(i), any items of income, gain, deduction and loss of the Company that are attributable to a nonrecourse debt of the Company that constitutes Member Nonrecourse Debt (including chargebacks of Member Nonrecourse Debt Minimum Gain, as defined below) shall be allocated in accordance with the provisions of Treasury Regulations Section 1.704-2(i). This Section 8.2(d) is intended to satisfy the requirements of Treasury Regulations Section 1.704-2(i) (including the partner nonrecourse debt chargeback requirements) and shall be interpreted and applied in a manner consistent therewith.

(e) Gross Income Allocation. If any Member has a negative Economic Capital Account at the end of any Fiscal Year, such Member shall be allocated items of Company income and gain in the amount of such deficit as quickly as possible; *provided* that an allocation pursuant to this Section 8.2(e) shall be made only if and to the extent that such Member would have a negative Economic Capital Account after all other allocations provided for in this Section 8.2 (other than Section 8.2(a)) have been tentatively made as if this Section 8.2(e) were not in this Agreement.

Section 8.3 Transfer of Interests. In the event of a Transfer of Interests in the Company in accordance with the provisions of this Agreement, subject to compliance with Code Section 706 and the regulations promulgated thereunder, items of income, gain, loss and deduction shall be allocated between the transferor and the transferee in accordance with an interim closing of the books as of the close of the date of the Transfer to the extent consistent with Code Sections 706(d)(2) and 706(d)(3), or pursuant to such other method agreed to by the transferor and the transferee and reasonably acceptable to the Tax Matters Member.

Section 8.4 Certain Tax Matters.

(a) Tax Allocations. The income, gains, losses, credits and deductions recognized by the Company shall be allocated among the Members, for U.S. federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Members' Capital Accounts. Notwithstanding the foregoing, the Board may adjust such allocations so long as such adjusted allocations have substantial economic effect or are in accordance with the Members' Interests, in each case within the meaning of the Code and the Treasury Regulations. In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property of the Company that is reflected in the Capital Accounts at a book value that is different from its adjusted basis for tax purposes (whether due to contribution or revaluation) shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for U.S. federal income tax purposes and its fair market value at the time of contribution or revaluation. Section 704(c) of the Code shall be administered with respect to property contributed to the Company by a Member or any revaluation due to the capital contributions of either Member in accordance with the remedial method of Treasury Regulation Section 1.704-3(d). All other matters concerning allocations for U.S. federal, state and local and non-U.S. income tax purposes, including Code Section 704(c) allocation methods and other accounting procedures, not expressly provided for by the terms of this Agreement shall be determined by the Board.

(b) Member Notification Requirements. No Member shall knowingly assert a position in respect of matters relating to the Company's income, gain, loss, deduction, or credit under the Code, which such Member knows to be inconsistent with the tax returns prepared with respect to the Company or otherwise to be materially adversely prejudicial to the Company, unless in either case (i) such position is consistent with the provisions of this Agreement, and (ii) such Member provides written notice thereof to the Company at least fifteen (15) days before taking such position. The cost of any audits or adjustments of a Member's tax return shall be borne solely by the affected Member. Each Member shall promptly upon request furnish to the Company any information that the Company may reasonably request in connection with any election or contemplated election or adjustment under Section 734, 743 or 754 of the Code or with filing the tax returns of the Company or any Subsidiary thereof.

ARTICLE IX
DISTRIBUTIONS

Section 9.1 Distributions Generally.

(a) This Section provides for the distribution of certain amounts to the Members. The term "Distributable Amount" means (A) upon the occurrence of an Exit Event, all amounts held by the Company immediately following such Exit Event reduced by existing liabilities and expenses of the Company and a reasonable reserve for future liabilities and expenses; and (B) at any other time determined by the Board, the then applicable undistributed Target Distribution or such other amounts approved pursuant to Section 5.1(a)(iii)(C). Subject to Section 7.4(c) and the other provisions of this Section 9.1, all Distributable Amounts shall be distributed, in connection with the occurrence of an Exit Event, concurrently with or promptly following the consummation of such Exit Event, and in all other cases, at least annually, at such time as determined by the Board in its sole discretion, to the Members on a pro rata basis in accordance with their respective Percentage Interests.

(b) In the event that an Exit Event is structured as a sale of Interests by the Members, rather than a distribution of proceeds by the Company, the purchase agreement governing such sale will have provisions therein that replicate, to the greatest extent possible, the economic result which would have been attained under this Article IX had the Exit Event been structured as a sale of the Company's assets and a distribution of proceeds thereof to the Members (or modifications will be made to this Agreement to accomplish this result).

Section 9.2 Distributions In Kind. In the event of a distribution of Company property, such property shall for all purposes of this Agreement be deemed to have been sold at its Fair Market Value and the proceeds of such sale shall be deemed to have been distributed to the Members.

Section 9.3 No Withdrawal of Capital. Except as otherwise expressly provided in Article XIII or this Article IX, no Member shall have the right to withdraw capital from the Company or to receive any distribution or return of such Member's Capital Contributions.

Section 9.4 Withholding; Payment of Member Taxes by the Company.

(a) Each Member shall, to the fullest extent permitted by applicable law, indemnify and hold harmless each Person who is or who is deemed to be the responsible withholding agent for U.S. federal, state or local income tax purposes against all claims, liabilities and expenses of whatever nature (but, in each case, excluding any

penalties and accrued interest that results from such Person's fraud, willful misfeasance, bad faith or gross negligence) solely relating to such Person's obligation to withhold and to pay over any U.S. federal, state, or local income taxes imposed on such Member and the employee's share of social security, Medicare, and federal unemployment taxes imposed on such Member.

(b) Notwithstanding any other provision of this Article IX, (i) each Member hereby authorizes the Company to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or any of its Affiliates with respect to such Member or as a result of such Member's participation in the Company (including where required by the Revised Partnership Audit Provisions) and (ii) if and to the extent that the Company shall be required to withhold or pay any such taxes (including any amounts withheld from amounts payable to the Company to the extent attributable, in the judgment of the Board, to such Member's Interest), such Member shall be deemed for all purposes of this Agreement to have received a payment from the Company as of the time such withholding or tax is required to be paid, which payment shall be deemed to be a distribution with respect to such Member's Interest to the extent that the Member (or any successor to such Member's Interest) is then entitled to receive a distribution. To the extent that the aggregate of such payments to a Member for any period exceeds the distributions to which such Member is entitled for such period, such Member shall make a prompt payment to the Company of such amount.

(c) If the Company makes a distribution in kind and such distribution is subject to withholding or other taxes payable by the Company on behalf of any Member, such Member shall make a prompt payment to the Company of the amount of such withholding or other taxes by wire transfer.

Section 9.5 Restrictions on Distributions.

(a) The Company shall not make a distribution of property in kind to a Member which results in the recognition of taxable income to a Member under Section 704(c)(1)(B) of the Code or Section 737(a) of the Code without the prior written consent of the Member who would be required to recognize such taxable income as a result thereof.

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member on account of its Interest in the Company if such distribution would violate Section 7-80-606 of the Colorado Act or other applicable law.

Section 9.6 Offset. Notwithstanding anything in this Article IX to the contrary, to the extent there has been a final judicial determination under the Purchase Agreement that a Member (the "Owing Member") (a) owes any amount to the Company in respect of any Loss incurred by the Company, or (b) owes any amount to the other Member in respect of any Loss incurred by such other Member, and such amount has remained outstanding for sixty (60) days, then upon the request of the other Member, the Company shall set aside any distribution that would otherwise be made to the Owing Member under this Agreement and, in the case of (b), deliver such set aside amount to the other Member, until all such amounts owed by the Owing Member to the Company or the other Member, as applicable, have been reduced to zero (giving effect to any other payments made by the Owing Member to the Company or the other Member, as applicable).

ARTICLE X
BOOKS AND RECORDS

Section 10.1 Books and Records; Reports.

(a) At all times during the continuance of the Company, the Company shall maintain, at its principal place of business, separate books of account for the Company and its Subsidiaries that shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all income derived in connection with the operation of the Company's business in accordance with accounting principles approved by the Board from time to time. Such books of account, together with a copy of this Agreement and the Articles and such other books and records as may be required by the Colorado Act, shall at all times be maintained at the principal place of business of the Company and shall be open to inspection and examination at reasonable times by each Member and its duly authorized representative for any purpose reasonably related to such Member's Interest.

(b) Within thirty (30) days after the end of each calendar quarter, the Company shall furnish to each Member a copy of the consolidated income statement, cash flow statement and the balance sheet of the Company and its Subsidiaries for such quarter. Within seventy-five (75) days after the close of each calendar year, the Manager shall furnish to each Member a copy of the consolidated income and loss statement, cash flow statement, and the balance sheet of the Company and its Subsidiaries for such calendar year.

Section 10.2 Filings of Returns and Other Writings; Tax Matters Member.

(a) The Company shall timely file all Company tax returns and all other tax filings required by any governmental authority having jurisdiction to require such tax filing. The Company shall furnish to each Member an estimated U.S. Internal Revenue Service Form 1065, Schedule K-1 with respect to such Member no later than March 31st following each Tax Year and a final U.S. Internal Revenue Service Form 1065, Schedule K-1 with respect to such Member no later than September 15th following each Tax Year and will use commercially reasonable efforts to provide Members with the information necessary for each Member to calculate its obligation to make estimated payments of income taxes related to the ownership of such Member's Units on a timely basis.

(b) (i) DMC shall be designated as the "partnership representative" (as defined in Section 6223(a) of the Code) of the Company. The partnership representative, as so designated, shall each be referred to herein as the "Tax Matters Member."

(i) Each Member hereby consents to such designations and agrees that upon the request of the Tax Matters Member, such Member 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.

(ii) Any Member entering into a settlement agreement with the Internal Revenue Service (the "IRS") that concerns a Company item shall notify the other Members of such settlement agreement and its terms within fifteen days after the date thereof.

(iii) The Tax Matters Member shall give prompt notice to the Members upon receipt of written notice that the IRS or other taxing authority intends to examine any income tax return, or records or books of the Company. During any Company income tax audit or other income tax controversy with any governmental authority, the Tax Matters Member shall keep the Members informed of all material facts and developments on a reasonably prompt basis (including, without limitation, whether it intends to file for judicial review with respect to any final administrative adjustment relating to the Company and including providing copies of all documents received by the Tax Matters Member in its capacity as such from a taxing authority).

(iv) The Tax Matters Member shall be supervised by, and serve at the direction of, the Board. The Tax Matters Member, as directed by the Board, has the power to represent and bind the Company in each audit conducted by any taxing authority, including without limitation the power and authority, (i) to make an election under Section 6226 of the Code (as amended by the Revised Partnership Audit Provisions) and any Treasury Regulations promulgated in accordance therewith and (ii) to take, and to cause the Company to take, all actions necessary or convenient to give effect to such an election. Each Member agrees to take all actions that the Tax Matters Member determines are necessary in connection with an audit, including without limitation (A) providing any information in such Member's possession reasonably requested in connection with any tax audit or related proceeding (which information may be freely disclosed to the IRS or other relevant taxing authorities), (B) paying all liabilities attributable to such Member as the result of an election under Section 6226 of the Code (as amended by the Revised Partnership Audit Provisions), and (C) filing any amended returns that the Tax Matters Member determines to be necessary or appropriate to reduce an imputed underpayment under Section 6225(c) of the Code (as amended by the Revised Partnership Audit Provisions) and paying all liabilities associated with such an amended return. The Tax Matters Member may employ tax counsel to represent the Company in connection with any audit or investigation of the Company by the IRS and in connection with all subsequent administrative and judicial proceedings arising out of such audit.

(c) Promptly following the written request of the Tax Matters Member, the Company shall, to the fullest extent permitted by applicable law, reimburse and indemnify the Tax Matters Member for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Member, in its capacity as such, in connection with any administrative or judicial proceeding with respect to the tax liability of the Members in general and not with respect to the individual tax liability of the Tax Matters Member in its capacity as a Member, except to the extent arising from the bad faith, gross negligence, willful violation of law, fraud or breach of this Agreement by such Tax Matters Member.

(d) The provisions of this Section 10.2 shall survive the termination of the Company or the termination of any Member's Interest and shall remain binding on the Members for as long a period of time as is necessary to resolve with the IRS or any other taxing authority any and all matters regarding the taxation of the Company or the Members.

Section 10.3 Accounting Method. For tax reporting purposes, the Company shall report under the accrual method of accounting.

Section 10.4 Section 754 Election. The Company will elect, pursuant to Section 754 of the Code, to adjust the basis of the Company's assets as provided in Sections 734 and 743 of the Code.

Section 10.5 Combined Group Taxes. If the DMC Members (or any of its direct or indirect owners) are obligated to pay taxes attributable to the Company's assets or operations as a result of the DMC Members and the Company being treated as members of a combined, consolidated, unitary or other group of Entities, then the Company shall reimburse the DMC Members for the amount of taxes paid that are attributable to the Company, which amount shall equal the amount of taxes the Company would pay if it were not included in any combined, consolidated, unitary or other group but instead were taxed on a stand-alone basis. Any amount paid to the DMC Members pursuant to this Section 10.4 shall be treated as a reimbursement for amounts paid on behalf of the Company and shall not be treated as a distribution to the DMC Members for purposes of Section 9.1 (including pursuant to Section 13.2). Until paid, the amount due from the Company pursuant hereto shall bear interest at a rate of eight percent (8%) per annum.

ARTICLE XI
LIABILITY, EXCULPATION AND INDEMNIFICATION

Section 11.1 Liability. Except as otherwise provided by the Colorado Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

Section 11.2 Exculpation. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement.

Section 11.3 Fiduciary Duty. Any duties (including fiduciary duties) of a Covered Person to the Company or to any other Covered Person that would otherwise apply at law or in equity are hereby eliminated to the fullest extent permitted under the Colorado Act and any other applicable law; *provided* that (a) the foregoing shall not eliminate the obligation of each Covered Person to act in compliance with the express terms of this Agreement and (b) the foregoing shall not be deemed to eliminate the implied contractual covenant of good faith and fair dealing. A Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement.

Section 11.4 Indemnification. To the fullest extent permitted by applicable law, a Covered Person shall be indemnified, held harmless and defended by the Company from and against any and all losses, damages, claims, liabilities (whether joint or several), expenses (including legal fees and expenses), judgments, fines and other amounts paid in settlement incurred or suffered by such Covered Person, as a party or otherwise, in connection with any threatened, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the Covered Person's status as a current or former Director, Member, Officer, or Tax Matters Member regardless of whether the Covered Person retains such status at the time any such loss, damage, claim, liability, expense, judgment, fine or other amount paid in settlement is incurred or suffered or by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, and, with respect to any criminal proceeding, where such Covered Person had no reasonable cause to believe that such conduct was unlawful, except that no Covered Person shall be entitled to be indemnified, held harmless or defended by the Company in respect of any loss, damage, claim, liability, expense, judgment, fine or other amount paid in settlement incurred or suffered by such Covered Person by reason of such Covered Person's or any Related Party of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement with respect to such acts or omissions; *provided* that any indemnity under this Section 11.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof. The termination of any action, suit or proceeding by judgment, order, settlement or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that a Covered Person acted in a manner contrary to the standards specified in this Section 11.4. No Covered Person shall be denied indemnification, in whole or in part, under this Section 11.4 merely because the Covered Person had an interest in the transaction with respect to which the indemnification applies, if the transaction was not otherwise prohibited by the terms of this Agreement and the conduct of the Covered Person satisfies the conditions set forth in this Agreement. The indemnification provided by this Section 11.4 shall be in addition to any other rights to which any Covered Person may be entitled under any other agreement, as a matter of law or otherwise, and shall inure to the benefit of the heirs, legal representatives, successors, assigns and administrators of the Covered Person.

Section 11.5 Expenses. To the fullest extent permitted by applicable law, expenses (including, without limitation, reasonable attorneys' fees, disbursements, fines and amounts paid in settlement) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding relating to or arising out of their performance of their duties on behalf of the Company shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified as authorized in Section 11.4; *provided*, *however*, that in such instance such Covered Person is not defending a claim, demand, action, suit or proceeding commenced against such Covered Person by the Company itself.

Section 11.6 Indemnification Procedures.

(a) Within thirty (30) days after receipt by any Covered Person of notice of the commencement of any action that may result in a claim for indemnification pursuant to Section 11.4, the Covered Person shall notify the Company in writing of such action; *provided*, *however*, that the omission so to notify the Company shall not relieve the Company of any liability for indemnification pursuant to Section 11.4 as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice shall have been materially prejudicial to the Company).

(b) The Covered Person shall have the right to employ separate counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Covered Person unless (i) the Company has agreed in writing to pay such fees and expenses, (ii) the Company has failed to assume the defense thereof without reservation and employ counsel within a reasonable period of time after being given the notice required above, or (iii) the named parties to any such action (including any impleaded parties) include both the Covered Person and the Company and the Covered Person shall have been advised by his, her or its counsel that representation of the Covered Persons and the Company by the same counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same counsel has been proposed) due to actual or potential differing interests between them. It is understood, however, that the Company shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all the Covered Persons having actual or potential differing interests with the Company.

(c) The Company shall not be liable for any settlement of any such action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Covered Person in any such action, the Company agrees to indemnify and hold harmless the Covered Person to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

Section 11.7 Directors' and Officers' Indemnity Insurance Coverage . The Company shall maintain, and shall cause its direct and indirect subsidiaries to maintain, directors' and officers' indemnity insurance coverage reasonably satisfactory to the Board.

Section 11.8 Severability; Survival. To the fullest extent permitted by applicable law, if any portion of this Article shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each Director or Officer and may indemnify each employee or agent of the Company as to costs, charges and expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Company, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated. The indemnification obligations set forth in this Article XI shall survive the termination of this Agreement.

ARTICLE XII
TRANSFERS OF INTERESTS

Section 12.1 Restrictions on Transfers of Interests. No Restricted Member may Transfer (including, without limitation, to any other Member, or by gift, or by operation of law or otherwise) any Interests or any direct or indirect beneficial ownership of any Interests; *provided*, that, subject in each case to Section 12.4, Interests may (or shall, as the case may be) be Transferred by the Restricted Members (a) pursuant to Section 12.2 ("Estate Planning Transfers; Transfers upon Death"), (b) in accordance with Section 12.5 ("Involuntary Transfers"), (c) pursuant to Section 12.8 ("Right of First Refusal and Drag-Along Right"), (d) pursuant to Section 12.9, in connection with the formation of Newco (as defined in Section 12.9(b)) in anticipation of an IPO, (e) pursuant to Section 12.10 ("Put/Call Rights") and (f) pursuant to the prior written approval of the Board and the DMC Members in their sole and absolute discretion. The Restricted Members may not pledge, grant a security interest in or otherwise encumber or hypothecate (a "Hypothecation") any portion of such Member's Interest without the prior written approval of the Board and the DMC Members in their sole and absolute discretion.

Section 12.2 Estate Planning Transfers; Transfers upon Death. Interests held by Munera may be Transferred for estate planning purposes of Munera to (a) a trust under which the distribution of the Interests may be made only to beneficiaries who are Munera, his spouse, members of his immediate family or his lineal descendants, (b) a charitable remainder trust, the income from which will be paid to Munera during his life, (c) a corporation, the shareholders of which are only Munera, his spouse, members of his immediate family or his lineal descendants or (d) a partnership or limited liability company, the partners or members of which are only Munera, his spouse, members of his immediate family or his lineal descendants. Interests held by Munera may be transferred by will or as a result of the laws of descent and distribution, *provided* that any heirs, executors or other beneficiaries shall remain subject to the terms of this Agreement as if Munera continued to hold the Interests directly.

Section 12.3 Effect of Assignment. The Company shall, from the effective date of any Transfer of an Interest (or part thereof) permitted under this Article XII, thereafter pay all further distributions on account of such Interest (or part thereof) to the transferee of such Interest (or part thereof); *provided*, that such transferee shall have no rights or powers as a Member unless such transferee complies with Section 12.6.

Section 12.4 Overriding Provisions.

(a) Any Transfer or Hypothecation of any Interest in violation of this Article XII shall be null and void ab initio and of no force or effect, and the provisions of Section 12.3 shall not apply to any such Transfer or Hypothecation. The approval of any Transfer or Hypothecation of any Interest in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance.

(b) All Transfers of Interests permitted under this Article XII are subject to this Section 12.4 and Sections 12.6 and 12.7.

(c) Any proposed Transfer of Interests by a Member pursuant to the terms of this Article XII shall, in addition to meeting all of the other requirements of this Agreement, satisfy the following conditions: (i) the Transfer will not be effected on or through an "established securities market" or a "secondary market or the substantial equivalent thereof," as such terms are used in Treasury Regulations Section 1.7704-1, and, at the request of the Board, the transferor and the transferee will have each

provided the Company a certificate to such effect; and (ii) the proposed Transfer will not result in the Company having more than 99 Members, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) and will not result in the Company being taxed as a corporation for U.S. tax purposes (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)). The Board may in its sole and absolute discretion waive the condition set forth in clause (ii) of this Section 12.4(c).

(d) The Board shall promptly amend Schedule A to reflect any Transfers of Interests permitted under this Article XII.

Section 12.5 Involuntary Transfers.

(a) Any Transfer of title or beneficial ownership of Interests upon default, foreclosure, forfeit, divorce, court order or otherwise than by a voluntary decision on the part of a Restricted Member (each, an "Involuntary Transfer"), in each case to a third party that is not a Restricted Member, shall be void unless the Restricted Member complies with this Section 12.5 and enables the Company to exercise in full its rights hereunder. Upon the Involuntary Transfer of any Interests, the Company shall have the right to purchase such Interests pursuant to this Section 12.5 and the Person to whom such Interests have been Transferred (the "Involuntary Transferee") shall have the obligation to sell such Interests in accordance with this Section 12.5. Upon the Involuntary Transfer of any Interests, such Restricted Member shall promptly (but in no event later than two (2) Business Days after such Involuntary Transfer) furnish written notice to the Company indicating that the Involuntary Transfer has occurred, specifying the name of the Involuntary Transferee, giving a reasonably detailed description of the circumstances giving rise to, and stating the legal basis for, the Involuntary Transfer. Upon the receipt of the notice described in the preceding sentence, and for ninety (90) days thereafter, the Company shall have the right to purchase, and the Involuntary Transferee shall have the obligation to sell, all or any portion of the Interests acquired by the Involuntary Transferee for a purchase price equal to the lesser of (i) the Fair Market Value of such Interests and (ii) the amount of the indebtedness or other liability that gave rise to the Involuntary Transfer plus the excess, if any, of the Carrying Value of such Interests over the amount of such indebtedness or other liability that gave rise to the Involuntary Transfer.

(b) The Company shall have the right to assign to the DMC Members (or their designees), all or any portion of its rights and obligations under Section 12.5(a), *provided* that any such assignment or assumption is accepted by the DMC Members (or their designees). If the Company has not exercised its right to purchase Interests pursuant to Section 12.5(a) within fifteen (15) days of receipt by the Company of the letter, notice or other occurrence giving rise to such rights, then the DMC Members shall have the right to require the Company to assign such rights. The DMC Members shall have the right to assign to one or more of its Affiliates all or any of their rights to purchase Interests pursuant to this Section 12.5(b).

Section 12.6 Substitute Members.

(a) In the event any Member Transfers its direct Interest in the Company in compliance with the other provisions of this Article XII, the transferee thereof shall have the right to become a substitute Member, but only upon satisfaction of the following:

(i) execution of such instruments as the Board deems reasonably necessary or desirable to effect such substitution; and

(ii) acceptance and agreement in writing by the transferee of such Interest to be bound by all of the terms and provisions of this Agreement and assumption of all obligations under this Agreement (including breaches hereof) applicable to the transferor and in the case of a transferee of any individual Member who resides in a state with a community property system, such transferee causes his or her spouse, if any, to execute a Spousal Waiver in the form of Exhibit B attached hereto. Upon the execution of the instrument of assumption by such transferee and, if applicable, the Spousal Waiver by the spouse of such transferee, such transferee shall enjoy all of the rights and shall be subject to all of the restrictions and obligations of the transferor of such Interest.

(b) The Board will ensure that notice of the admission of any substitute members is given to the Secretary of the Company, so that they may make the required amendments to Schedule A hereto.

(c) Notwithstanding anything herein to the contrary, in no event shall a transferee of Interests from a Munera Member, even if such transferee is admitted as a member, receive rights to appoint Directors to the Board pursuant to Section 5.1(b)(2)(B) or otherwise.

Section 12.7 Release of Liability. In the event any Member shall Transfer such Member's entire Interest in the Company (other than pursuant to Sections 12.8 or 12.10) in compliance with the provisions of this Agreement, including, without limitation, pursuant to Section 12.5, without retaining any interest therein, directly or indirectly, then the transferring Member shall, to the fullest extent permitted by applicable law, be relieved of any further liability arising hereunder for events occurring from and after the date of such Transfer.

Section 12.8 Right of First Refusal and Drag-Along Right.

(a) If at any time after the Effective Date, the DMC Members or the Munera Member (as applicable, the "Selling Member") proposes to Transfer all but not less than all of the Units it then holds (the "Offered Units") in a Qualifying Transaction, the Selling Member shall first offer to sell its Units to the Munera Member or the DMC Members (as applicable, the "Other Member"). The Selling Member shall, within five Business Days of receipt of an offer from the proposed counterparty to the Qualifying Transaction (the "Third Party") that it desires to accept, give written notice (the "Selling Member Notice") to the Company and the Other Member stating that it has received a bona fide offer from a Third Party and specifying: (x) the name of the Third Party, (y) the per Unit purchase price and the other material terms and conditions of the Qualifying Transaction, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof and (z) the proposed date, time and location of the closing of the Qualifying Transaction, which shall not be less than sixty (60) Business Days from the date of the Offering Member Notice. The Selling Member Notice shall constitute the Selling Member's offer to Transfer its Offered Units to the Other Member on the terms set forth in the Selling Member Notice, which offer shall be irrevocable until the end of the ROFR Notice Period (as defined below). By delivering the Selling Member Notice, the Selling Member represents and warrants to the Company and the Other Member that: (x) the Selling Member has full right, title and interest in and to the Offered Units, (y) the Selling Member has all necessary power and authority and has taken all necessary action to sell such Offered Units as contemplated by this Section 12.8(a) and (z) the Offered Units are free and clear of any and all liens other than those arising as a result of or under the terms of this Agreement. Upon receipt of the Selling Member Notice, the Other Member shall have thirty (30) Business Days (the "ROFR Notice Period") to elect to purchase all (and not less than all) of the Offered Units by delivering a written notice (a "ROFR Offer Notice") to the Selling Member and the Company stating that it offers to purchase such Offered Units on the terms specified in the Selling Member Notice. If the Other Member is the DMC Members, the DMC Members may offer DMC Series A Preferred Stock as the consideration for such purchase, and such DMC Series A Preferred Stock shall be valued at the Option Share Issue Price for the purposes of this Section 12.8(a). Any ROFR Offer Notice shall be binding upon delivery and irrevocable by the Other Member. If the Other Member does not deliver a ROFR Offer Notice during the ROFR Notice Period, it shall be deemed to have waived all of its rights to purchase the Offered Units under this Section 12.8(a), and the Offering Member shall thereafter be free to sell the Offered Units to the Third Party specified in the Offer Notice, on the terms set forth in the Offer Notice, without any further obligation to such Member pursuant to this Section 12.8(a) if such sale to the Third Party occurs within forty (40) Business Days of the expiration of the ROFR Notice Period.

(b) If the Other Member does not deliver a ROFR Offer Notice during the ROFR Notice Period, the Selling Member shall have the right, upon written notice to the Other Member delivered not less than the earlier of the expiration of the ROFR Notice Period and twenty (20) Business Days prior to the proposed closing (the "Drag Notice"), to require that the Other Member sell all of its Units on substantially the same (and no less favorable) terms (including with respect to representations, warranties and indemnification) as the Selling Member; *provided*, that representations and warranties relating specifically to any Member shall only be made by that Member and any indemnification provided by the Members (other than in respect of representations and warranties relating to any such Member's title to or ownership of the Units being sold by such Member in the proposed sale and such Member's authority, power and right to enter into and consummate such transaction without violating any other agreement or legal requirement) shall be based on the relative purchase price being received by each Member in the proposed sale, either on a several, not joint, basis or solely with

recourse to an escrow established for the benefit of the proposed purchaser. For purposes of this Section 12.8(b), for each Member, "joining" the Selling Member in such Qualifying Transaction shall include voting its Interests consistently with the Selling Member, transferring its Interests to a corporation organized in anticipation of such sale in exchange for capital stock of such corporation, executing and delivering agreements and documents which are being executed and delivered by the Selling Member and taking such other actions and providing such other cooperation as the Selling Member may reasonably request. Any transaction costs, including transfer taxes and legal, accounting and investment banking fees incurred by the Company and the Selling Member (or its Affiliates) in connection with a Qualifying Transaction effected pursuant to Section 12.8(b), shall, unless the applicable purchaser refuses, be borne by the Company in the event of a merger, consolidation or sale of assets and shall otherwise be borne by the Members on a pro rata basis based on the consideration received by each Member in such transaction.

Section 12.9 Initial Public Offering.

(a) Upon a determination to effect an Initial Public Offering pursuant to Section 5.1(a)(iii), the Board shall take such actions as are necessary to structure the IPO in a manner reasonably acceptable to the Members, including, without limitation, causing the public offering of the stock of an existing or newly formed Subsidiary of the Company or any of the Transfers, mergers, consolidations or restructurings pursuant to Section 12.9(b) and making any such amendments to this Agreement (subject to Section 14.12) as may be deemed by the Board in good faith solely as necessary to facilitate such IPO.

(b) In the event of a determination by the Board (after compliance with Section 5.1(a)(iii)) to cause (i) a Transfer of all or substantially all of (x) the assets of the Company or (y) the Interests to a newly organized stock corporation or other business entity with the ownership interests therein allocated as specified herein ("Newco"), (ii) a merger of the Company into Newco by merger or consolidation or (iii) any other restructuring of the Interests, in any such case, whether in anticipation of an Initial Public Offering or otherwise, each Member shall take such reasonable steps to effect such Transfer, merger, consolidation or other restructuring as may reasonably be requested by the Company on terms that are substantially the same (and no less favorable) in respect of such Member's Interests as other holders of corresponding Interests in respect of such corresponding Interests, including, without limitation, if requested, transferring such Member's Interests to Newco in exchange for capital stock of Newco; *provided*, that in the event of such an exchange, each Interest would be exchanged for a number of shares of Newco stock determined in a manner such that each Member is treated no less favorably than such Member would have been treated upon an Exit Event (assuming the value of the consideration to be received by the Members in the Exit Event is the midpoint of the filing range in the IPO, to the extent such exchange is in anticipation of an IPO). Notwithstanding the preceding sentence, no Member shall be required to take any action or omit to take any action to the extent such action or omission violates applicable law. If the Board determines to effect an IPO pursuant to this Section 12.9(b) and the Members receive shares of Newco pursuant to any such Transfer, merger, consolidation or restructuring, each Member agrees to enter into (A) a Registration Rights Agreement and (B) any other customary agreements, including, without limitation, an underwriters' lock-up agreement for a period not to exceed 360 days following the consummation of such IPO, and in any event provides for the same lock-up period for all Members.

Section 12.10 Put/Call Rights.

(a) At any time on or after the third (3rd) anniversary of the Effective Date, the Munera Member shall have the right (but not the obligation) (the "Put Option") to require the DMC Members to purchase, directly or indirectly, Option Units for the Option Purchase Price. The Put Option must be exercised in tranches of no less than 664.5]Units. The Option Purchase Price payable in connection with the exercise of the Put Option shall be paid, at DMC's option, (i) in cash or (ii) 20% in cash and 80% in shares of DMC Series A Preferred Stock priced at the Option Share Issue Price (the "Put Consideration"), subject to compliance with applicable law and stock exchange rules, unless DMC and the Munera Member mutually agree that the Put Consideration shall be paid in the form of cash or a combination of DMC Common Stock priced at the Option Share Issue Price and cash, in which case the Put Consideration shall be paid in the manner so agreed. To exercise the Put Option, the Munera Member must deliver written notice of its exercise of the Put Option to the DMC Members (the "Put Notice"). The Put Notice shall specify the number of Units to be sold. For purposes of clarification, the Munera Member may not deliver a Put Notice to the DMC Members earlier than December ●, 2024.

(b) At any time on or after the third (3rd) anniversary of the Effective Date, the DMC Members shall have the right (but not the obligation) (the "Call Option") to purchase, directly or indirectly, all, but not less than all, of the Option Units for the Option Purchase Price. The Option Purchase Price payable in connection with the exercise of the Call Option shall be paid in cash (the "Call Consideration"), unless DMC and the Munera Member mutually agree that the Call Consideration shall be paid in the form of shares of DMC Common Stock priced at the Option Share Issue Price or a combination of cash and shares of DMC Common Stock priced at the Option Share Issue Price, in which case the Call Consideration shall be paid in the manner so agreed. To exercise the Call Option, the DMC Members must deliver written notice of its exercise of the Call Option to the Munera Member (the "Call Notice"). For purposes of clarification, the DMC Members may not deliver a Call Notice to the Munera Member earlier than December ●, 2024.

(c) The party delivering an Option Notice (the "Exercising Party") shall set forth such party's good faith calculation of the Option Purchase Price for the Option Units. If the party receiving the Option Notice (the "Receiving Party") has any objections to the calculation of the Option Purchase Price set forth in the Option Notice, the Receiving Party may deliver to the Exercising Party a statement setting forth each disputed item (each, an "Option Purchase Price Dispute") and the Receiving Party's proposed calculation thereof (an "Option Purchase Price Dispute Statement"). If an Option Purchase Price Dispute Statement is not delivered to the Exercising Party within thirty (30) days after receipt of the Option Notice by the Receiving Party, then the calculation of the Option Purchase Price set forth in the Option Notice shall be final, binding and non-appealable by the Exercising Party and the Receiving Party. If an Option Purchase Price Dispute Statement is timely delivered, then the Exercising Party and the Receiving Party shall negotiate in good faith to resolve any Option Purchase Price Disputes, but if they do not reach a final resolution on all Option Purchase Price Disputes within thirty (30) days after the delivery of the Option Purchase Price Dispute Statement (the "Resolution Period"), the Exercising Party and the Receiving Party shall promptly submit each unresolved Option Purchase Price Dispute to the Accounting Expert to resolve such Option Purchase Price Dispute, and the provisions of Section 12.10(d) shall apply. The "Accounting Expert" shall be a Neutral Accounting Firm selected by mutual agreement of the Exercising Party and the Receiving Party;*provided, however,* that: (i) if, within fifteen (15) days after the end of the Resolution Period, such parties are unable to agree on a Neutral Accounting Firm to act as the Accounting Expert, then each party shall select a Neutral Accounting Firm and such firms together shall select the Neutral Accounting Firm to act as the Accounting Expert, and (ii) if any party does not select a Neutral Accounting Firm within ten (10) days of written demand therefor by the other party, then the Neutral Accounting Firm selected by the other party shall act as the Accounting Expert. A "Neutral Accounting Firm" means an independent accounting firm of nationally recognized standing that is not at the time it is to be engaged hereunder rendering services to any party, or any Affiliate of either, and has not done so within the two (2) year-period prior thereto.

(d) The parties shall arrange for the Accounting Expert to agree in its engagement letter to act in accordance with this Section 12.10(d).

(i) Each party shall present a brief to the Accounting Expert (which brief shall also be concurrently provided to the other party) within twenty (20) days of the appointment of the Accounting Expert detailing such party's views as to the correct nature and amount of each remaining Option Purchase Price Dispute (and for the avoidance of doubt, no party may introduce a dispute to the Accounting Expert that was not originally set forth on the Option Purchase Price Dispute Statement). Within ten (10) days of receipt of the brief, the receiving party may present a responsive brief to the Accounting Expert (which responsive brief shall also be concurrently provided to the other party). Each party may make an oral presentation to the Accounting Expert (in which case, such presenting party shall notify the other party of such presentation, and the other party shall have the right to be present (and speak) at such presentation), within thirty (30) days of the appointment of the Accounting Expert. The Accounting Expert shall have the opportunity to present written questions to either party, a copy of which shall be provided

to the other party. The Accounting Expert shall consider only those items and amounts in the Exercising Party's and the Receiving Party's respective calculations that are identified as being items and amounts to which the Exercising Party and the Receiving Party have been unable to agree.

(ii) The Accounting Expert's determination shall be based solely on the definitions Option Purchase Price and Equity Value (including the components thereof) contained herein and the provisions of this Agreement, including this Section 12.10, and the scope of the disputes to be resolved by the Accounting Expert shall be limited to whether the calculations of the Option Purchase Price were done in accordance with the terms of this Agreement, whether the accounting methods and procedures used to prepare the Option Purchase Price were done in accordance with GAAP and the definitions of Option Purchase Price and Equity Value (including the components thereof) and whether there were mathematical errors in the calculation of the Option Purchase Price, and the Accounting Expert shall not make any other determination.

(iii) In resolving any disputed item, the Accounting Expert shall select either the position of the Exercising Party or the Receiving Party as a resolution for each item or amount disputed and may not impose an alternative resolution with respect to any item or amount disputed. The Accounting Expert shall make a written determination within sixty (60) days of its appointment as to each such disputed item, which determination shall be final and binding on the DMC Members and the Munera Member for all purposes hereunder absent manifest error.

(iv) The fees and expenses of the Accounting Expert and of any enforcement of the determination thereof shall be borne by the Munera Member and the DMC Members in inverse proportion as they may prevail on the matters resolved by the Accounting Expert, which proportionate allocation shall be calculated on an aggregate basis based on the relative dollar values of the amounts in dispute and shall be determined by the Accounting Expert at the time the determination of such firm is rendered on the merits of the matters submitted.

(e) The closing of the purchase of Option Units as a result of the exercise of the Put Option (a "Put Closing") or the exercise of the Call Option (a "Call Closing") shall occur at the offices of DMC at a time designated by the DMC Members on the later of (i) the Option Closing date specified in the Option Notice, which shall be no sooner than ninety (90) days after delivery of the Option Notice, and (ii) fifteen (15) days after the date of which the Option Purchase Price becomes final and binding in accordance with Section 12.10(c) or Section 12.10(d). Option Units may be purchased by either or both DMC Members in whatever ratio they elect in their sole discretion. At the Option Closing:

(i) the participating DMC Members shall deliver the following to the Munera Member: (A) the Put Consideration or Call Consideration, as applicable, resulting from the finally determined Option Purchase Price for the purchased Option Units, with any such consideration (x) in the form of cash, to be paid by wire transfer of immediately available U.S. dollars to the account designated by the Munera Members, (y) in the form of DMC Common Stock, to be delivered via book entry registered in the name(s) designated by the Munera Members or (z) in the form of DMC Series Preferred Stock, in the form of certificates representing the shares of DMC Series A Preferred Stock issued in the name of the applicable Munera Members; (B) a counterpart to the Option Purchase Agreement, duly executed by the participating DMC Members; and (C) such other instruments or documents as may be necessary or appropriate to carry out the transactions contemplated hereby and by the Option Purchase Agreement;

(ii) the Munera Member shall deliver the following to the participating DMC Members: (A) duly executed instruments of transfer, in form reasonably acceptable to the DMC Members, that assign all right, title and interest in and to the purchased Option Units to the participating DMC Members; (B) a counterpart to the Option Purchase Agreement, duly executed by the Munera Member; and (C) such other endorsements, instruments or documents as may be necessary or appropriate to carry out the transactions contemplated hereby and by the Option Purchase Agreement;

(f) Any transaction costs, including transfer taxes and legal and accounting and fees, incurred by the DMC Members or the Munera Member in connection with the exercise of any Put Option or Call Option under this Section 12.10 and the purchase and sale of Option Units in connection therewith shall be borne by the respective Member incurring such costs. In no event will any shares of DMC Common Stock or DMC Series A Preferred Stock be issued to any person who is not an "accredited investor" within the meaning of Rule 501 under the Securities Act, to whom it is otherwise unlawful to issue such shares, or who refuses to provide customary representations about such person's investment intent with respect to such shares. Any such shares will contain customary legends restricting transfer except in compliance with applicable securities laws.

ARTICLE XIII
DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 Dissolving Events. The Company shall be dissolved and its affairs wound up in the manner hereinafter provided upon the happening of any of the following events:

(a) the Board makes a determination, subject to Section 5.1(a)(iii), to dissolve the Company; or

(b) any event which under applicable law would cause the dissolution of the Company;*provided* that, unless required by applicable law, the Company shall not be wound up as a result of any such event and the business of the Company shall continue.

Notwithstanding the foregoing, the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member in the Company under the Colorado Act shall not, in and of itself, cause the dissolution of the Company. In such event, the remaining Member(s) shall continue the business of the Company without dissolution.

Section 13.2 Dissolution and Winding Up. Upon the dissolution of the Company, the assets of the Company shall be liquidated or distributed under the direction of and to the extent determined by the Board and the business of the Company shall be wound up. Within a reasonable time after the effective date of dissolution of the Company, the Company's assets shall be distributed in the following manner and order:

First, to creditors in satisfaction of indebtedness (other than any loans or advances that may have been made by any of the Members to the Company), whether by payment or the making of reasonable provision for payment, and the expenses of liquidation, whether by payment or the making of reasonable provision for payment, including the establishment of reasonable reserves (which may be funded by a liquidating trust) determined by the Board or the liquidating trustee, as the case may be, to be reasonably necessary for the payment of the Company's expenses, liabilities and other obligations (whether fixed, conditional, unmatured or contingent);

Second, to the payment of loans or advances that may have been made by any of the Members to the Company (including any Priority Loans); and

Third, to the Members in accordance with Section 9.1, taking into account any amounts previously distributed (or deemed previously distributed) under Article IX,

provided that, no payment or distribution in any of the foregoing categories shall be made until all payments (or provision for payment) in each prior category shall have been made in full, and *provided further*, that if the payments due to be made in any of the foregoing categories exceed the remaining assets available for such purpose, such payments shall be made to the Persons entitled to receive the same pro rata in accordance with the respective amounts due to them.

Section 13.3 Distributions in Cash or in Kind. Upon the dissolution of the Company, the Board shall use all commercially reasonable efforts to liquidate all of the Company's assets in an orderly manner and apply the proceeds of such liquidation as set forth in Section 13.2, *provided*, that, if in the good faith judgment of the Board, a Company asset should not be liquidated, the Board shall cause the Company to allocate, on the basis of the Fair Market Value of any Company assets not sold or otherwise disposed of, any unrealized gain or loss based on such value to the Members' Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute such assets in accordance with Section 13.2 as if such Fair Market Value had been received in cash, subject to the priorities set forth in Section 13.2, and *provided*, *further*, that the Board shall in good faith attempt to liquidate sufficient Company assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in Section 13.2.

Section 13.4 Termination. The Company shall terminate when the winding up of the Company's affairs has been completed, all of the assets of the Company have been distributed and the Articles has been canceled, all in accordance with the Colorado Act.

Section 13.5 Claims of the Members. The Members and former Members shall look solely to the Company's assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member. No Member shall be obligated to make a Capital Contribution with respect to any deficit in its Capital Account and no such deficit shall be considered an asset of the Company.

ARTICLE XIV
MISCELLANEOUS

Section 14.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, (b) on the first (1st) Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth (5th) Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. Notices and other communications may be delivered as a courtesy via email or facsimile; *provided*, *however*, that any failure to do so shall not constitute a failure to deliver notice. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(i) If to the Company to:

c/o DMC Global Inc.
11800 Ridge Parkway, Suite 300
Broomfield, CO 80021
Attention: Michelle Shepston, Chief Legal Officer
Email: [***]
Facsimile No.: (303) 604-3944

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

Davis Graham & Stubbs LLP
1550 17th Street, Suite 500
Denver, CO 80202
Attention: John A. Elofson and Mark C. Bussey
Email: [***]
Facsimile No.: (303) 893-1379

(ii) If to a Member, at the address set forth below such Member's name on Schedule A attached hereto.

The Company shall provide notice to the DMC Members and the Munera Member of all notices received by the Company from the Munera Member and the DMC Members, respectively, under this Agreement. No Member shall be bound by a notice delivered under this Agreement unless the notice specifies that it is a notice being provided by the Member hereunder.

Section 14.2 Securities Act Matters. Each Member understands that in addition to the restrictions on transfer contained in this Agreement, he or she must bear the economic risks of his or her investment for an indefinite period because the Interests have not been registered under the Securities Act.

Section 14.3 Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 14.4 Entire Agreement. This Agreement constitutes the entire agreement among the Members with respect to the subject matter hereof, and supersedes any prior agreement or understanding among them with respect to such subject matter. There are no representations, warranties, promises, inducements, covenants or undertakings relating to the Interests, other than those expressly set forth or referred to herein.

Section 14.5 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Delivery of executed signature pages hereof by facsimile transmission or portable document format (pdf) shall constitute effective and binding execution and delivery of this Agreement.

Section 14.6 Governing Law; Attorneys' Fees . This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of Colorado, without giving effect to the conflict of laws rules thereof that would result in the application of any other jurisdiction's laws. The substantially prevailing party in any action or proceeding relating to this Agreement shall be entitled to receive an award of, and to recover from the other party or parties, any fees or expenses incurred by him, her or it (including, without limitation, reasonable attorneys' fees and disbursements) in connection with any such action or proceeding.

Section 14.7 Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMISSIBLE BY LAW, EACH MEMBER HEREBY WAIVES THE RIGHT TO TRIAL

BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.8 Waiver of Partition. Except as may otherwise be provided by law in connection with the winding up, liquidation and dissolution of the Company, each Member hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Company's property.

Section 14.9 Waiver Generally. Waiver by any Member hereto of any breach or default by any other Member of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the Members hereto or from any failure by any Member to assert its or his or her rights hereunder on any occasion or series of occasions.

Section 14.10 Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever, so long as this Agreement, taken as a whole, still expresses the material intent of the parties hereto. The invalidity of any one or more phrases, sentences, clauses, sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

Section 14.11 Further Actions. Each Member shall execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the Company in connection with the continuation of the Company and the achievement of its purposes, including, without limitation, (a) any documents that the Company deems necessary or appropriate to continue the Company as a limited liability company in all jurisdictions in which the Company or its Subsidiaries conduct or plan to conduct business and (b) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Company.

Section 14.12 Amendments. This Agreement (including this Section 14.12) and the Articles may not be amended, modified or supplemented except by a written instrument signed by each of the Members. Notwithstanding the foregoing, the Board may, pursuant to Sections 4.2, 4.8, 5.1(b)(ii)(D), 7.2, 12.4 and 12.6 make (or direct the Secretary of the Company to make) such modifications to this Agreement, including to Schedule A, as are necessary to admit Additional Members or substitute members or make such other changes to Schedule A as are required by this Agreement. The Company shall notify all Members after any such amendment, modification or supplement, other than any amendments to Schedule A, as permitted herein, has taken effect.

Section 14.13 Fees and Expenses. The Company shall not assume or pay any legal, formation, transaction and related expenses incurred by any Member in connection with the negotiation of this Agreement and the formation of the Company. Except (i) as provided in this Agreement or (ii) as provided in any other agreement between the Company and such Member or its Affiliates (including the Management Agreement), all fees and expenses incurred by any Member in connection with its investment in the Company shall be borne by the respective Member incurring such expenses.

Section 14.14 No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement is not intended to confer upon any Person, except for the parties hereto, any rights or remedies hereunder.

Section 14.15 Submission to Jurisdiction; Enforcement.

(a) Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought by any party or its successors or assigns against the other party shall be brought and determined in any State or federal court located in Denver, Colorado, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in Denver, Colorado, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Denver, Colorado as described herein. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (i) any claim that it is not personally subject to the jurisdiction of the courts in Denver, Colorado as described herein for any reason, (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) that (A) the suit, action or proceeding in any such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

(b) The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court where venue is proper under the preceding paragraph, this being in addition to any other remedy to which such party is entitled at law or in equity. Each of the parties hereby further waives (i) any defense in any action for specific performance that a remedy at law would be adequate and (ii) any requirement under any Law to post security as a prerequisite to obtaining equitable relief.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

COMPANY

ARCADIA PRODUCTS, LLC

By: /s/ James Schladen
Name: James Schladen
Title: President

DMC MEMBERS

DMC GLOBAL INC.

By: /s/ Michael Kuta
Name: Michael Kuta
Title: Chief Financial Officer

DMC KOREA, INC.

By: /s/ Michelle Shepston
Name: Michelle Shepston
Title: Vice President

MUNERA MEMBERS

NEW ARCADIA HOLDINGS, INC.

By: /s/ Gerard Munera
Name: Gerard Munera
Title: Chief Executive Officer

SCHEDULE A

MEMBERS

(As of the Effective Time)

Name and Address	Capital Contributions	Capital Account Balance	Units	Percentage Interest
DMC Global Inc. 11800 Ridge Parkway, Suite 300 Broomfield, CO 80021 Attention: Michelle Shepston, Chief Legal Officer Email: [***] Facsimile No.: (303) 604-3944 with a copy (which shall not constitute notice) to: Davis Graham and Stubbs LLP 1550 17th Street, Suite 500 Denver, CO 80202 Attention: John A. Elofson and Mark C. Bussey Email: [***] and [***] Facsimile No.: (303) 893-1379	$ •	$ •	3920.64	59%
DMC Korea, Inc. 11800 Ridge Parkway, Suite 300 Broomfield, CO 80021 Attention: Michelle Shepston, Chief Legal Officer Email: [***] with a copy (which shall not constitute notice) to: Davis Graham and Stubbs LLP 1550 17th Street, Suite 500 Denver, CO 80202 Attention: John A. Elofson and Mark C. Bussey Email: [***] and [***]	$ •	$ •	66.45	1%
New Arcadia Holdings, Inc. c/o Synergex Group LLC, Trustee of the Munera Family ESBT [***] [***] [***] with a copy (which shall not constitute notice) to: George J Hayduk Attorney 155 Fleet St Portsmouth CT 06830			2658.06	40%
		TOTAL:	•	100%

SCHEDULE B

OFFICERS OF ARCADIA PRODUCTS, LLC

NAME	OFFICE
James Schladen	President
Michael Kuta	Vice President of Finance
Michelle Shepston	Vice President and Secretary
David Mandelbaum	Assistant Treasurer and Assistant Secretary

EXHIBIT A

TERM SHEET FOR SERIES A PREFERRED STOCK

SEE ATTACHED.

TERM SHEET
CONVERTIBLE PREFERRED STOCK

This Term Sheet summarizes the principal terms of Series A Preferred Stock of DMC Global Inc. ("**DMC**").

Investors:	[] ("**Investors**")
Securities Issued:	DMC will issue up to [ ] shares of Series A Convertible Preferred stock (the "**Preferred**") from time to time under the terms of the Amended and Restated Limited Liability Company Agreement of Arcadia Products, LLC (the "**Operating Agreement**"). Capitalized terms used but not defined herein shall have the definitions provided in the Operating Agreement.
Issue Date(s):	The Preferred will be issued from time to time upon exercise of a Put Option by Investors, with each issuance of Preferred upon exercise of a Put Option to be referred to as a "**Tranche**" and with the Issue Date for the Preferred in such Tranche to be the date of the applicable Put Closing.
Purchase Price:	The Preferred will be deemed to have an initial value equal to the Option Share Issue Price (the "**Purchase Price**").
Priority:	The Preferred will rank senior in all respects to the common stock of DMC (the "**Common Stock**").
Dividends:	Cash dividends on the Preferred will accrue at a rate of 3% of the Purchase Price per annum from the date of issuance on a cumulative, non-participating basis. Dividends may not be paid on the Common Stock at any time when dividends on the Preferred are due and unpaid.
Conversion at Option of Investors:	Each share of Preferred shall be convertible at any time, at the option of the holder, into one share of Common Stock, subject to customary structural anti-dilution provisions (the "**Conversion Ratio**"), subject to Nasdaq rules.

Mandatory Redemption:	At any time, DMC may mandatorily redeem all or any part of the Preferred at a price equal to the sum of the Purchase Price plus all accrued and unpaid dividends; provided, at any time before the redemption, the holder may exercise its conversion rights. All the Preferred in a Tranche must be redeemed by DMC no later than the third anniversary of the applicable Issue Date (the "**Tranche Termination Date**"). From and after June ___, 2027, DMC shall be required to redeem outstanding Tranches of Preferred in equal annual installments calculated by amortizing the aggregate Purchase Price for the outstanding Preferred over the period remaining until the Tranche Termination Date plus payment of all accrued and unpaid dividends at each payment date.
Registration of Securities:	DMC will, at its expense, register the Common Stock issuable upon the conversion of the Preferred pursuant to a customary registration rights agreement between DMC and the Investors.
Liquidation Preference:	Upon the occurrence of any of the events that customarily would entitle all holders of the Preferred to a liquidation preference (each such event, a "**Liquidation Event**"), all Investors will be entitled to receive, prior and in preference to any payment of any consideration to any holder of Common Stock, an amount per share equal to the greater of: (1) the Purchase Price plus all accrued and unpaid dividends or (2) the amount that would be received by the holders of the Preferred had they converted such Preferred into Common Stock immediately prior to the Liquidation Event and participated in distributions payable to the holders of the Common Stock. A consolidation, merger, reorganization or other form of acquisition of DMC or a sale of all or substantially all of DMC's assets shall be deemed to be a Liquidation Event.
Voting Rights:	Subject to Nasdaq rules, the Preferred shall vote with the Common Stock on all matters submitted to a vote of the holders of the Common Stock on an as-converted basis.
Nasdaq Limitations:	If Nasdaq rules prohibit the issuance of Preferred with the conversion and voting rights as set forth above without the approval of the DMC shareholders, (i) the Preferred shall be convertible, and have voting rights, as set forth above to the maximum extent then permitted by Nasdaq rules and (ii) DMC shall use commercially reasonable efforts to obtain shareholder approval as promptly as is reasonably practicable.
Additional Terms:	The parties understand and acknowledge that this Term Sheet does not set forth all the terms of the Preferred and, if Preferred is to be issued pursuant to the Operating Agreement, agree to negotiate in good faith the terms of a Certificate of Designations that will set forth the definitive terms of the Preferred.

Exhibit 10.3

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is entered into this 23 day of December 2021 (the "Effective Date") by and among DMC Global Inc. ("DMC"), Arcadia Products, LLC (the "Company"), and James Schladen ("Executive"). DMC, the Company and Executive are referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, DMC desires to employ Executive to serve as the President of the Company, DMC's majority-owned subsidiary, and Executive desires to be employed in such capacity pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Employment. The Parties agree that Executive's employment with the Company is subject to the terms and conditions set forth herein.

2. Term. Subject to the provisions for earlier termination inSection 6 below, Executive's employment shall begin on the Effective Date and continue for a period of three (3) years (the "Initial Term" and together with any renewal periods, the "Term"). Subject to the provisions for earlier termination in Section 6 below, the Term shall automatically renew for additional one-year periods unless no later than thirty (30) days prior to the end of the applicable Term, DMC or Executive gives written notice of non-renewal to the other, in which case, Executive's employment will terminate at the end of the then-applicable Term.

3. Position. Executive shall be employed as and hold the title of President of the Company, with such duties and responsibilities as are customarily associated with such position and as may from time to time be assigned to Executive by the Chief Executive Officer of DMC (the "CEO"). Executive shall report directly to the CEO. Executive shall primarily perform his job duties at the principal offices of the Company in Vernon; *provided* that, to the extent it does not materially interfere with Executive's performance of Executive's duties under this Agreement, Executive will be permitted to periodically work remotely.

4. Scope of Services. Executive agrees to comply with Company policies and to devote substantially all of Executive's business time, attention and skills to the performance of Executive's duties hereunder and to the business and affairs of the Company and Executive shall perform such duties in a reasonably prudent manner. Executive shall not, during Executive's employment by the Company, without the prior written approval of the CEO, be employed by or otherwise engage in any other business activity requiring any material amount of Executive's time, *provided* that Executive may, to the extent not otherwise prohibited by this Agreement, devote such amount of time as does not materially interfere with the performance of Executive's duties under this Agreement to any one or more of the following activities: (a) passively investing Executive's personal assets in such manner as will not require services to be rendered by Executive in the management or operation of the affairs of the companies in which investments are made, (b) engaging in civic, charitable, educational, professional, community or industry affairs, including serving on the boards of directors of non-profit organizations, (c) personal education and development, or (d) serving on the board of directors of any other for-profit company with the prior written approval of the CEO, so long as any such company does not engage in any business or activity that is competitive with the Company.

5. Salary, Compensation, and Benefits.

5.1 Base Salary. During the Term, the Company agrees to pay, and Executive agrees to accept, as Executive's salary for all services to be rendered by Executive hereunder, a salary at an annualized rate of Five Hundred Fifty Thousand Dollars ($550,000), less all applicable withholdings and deductions (the "Base Salary"), payable in installments pursuant to the Company's standard payroll practices and policies, as they may be modified from time to time. The Base Salary may be increased, but not decreased, in the sole discretion of DMC; provided, however, that nothing herein shall be deemed to require any increase. The term "Base Salary" as used in this Agreement shall refer to the Base Salary as it may be so increased from time to time.

5.2 Bonus. In addition to the Base Salary, beginning with fiscal year 2022, Executive shall be eligible to receive an annual bonus pursuant to DMC's bonus program applicable to its senior executives generally, as in effect from time to time, which shall not be inconsistent with the terms of this Agreement (the "Annual Bonus"). Executive's target Annual Bonus will be 100% of Executive's Base Salary (the "Target Bonus") in accordance with the program (the payout range based on business and personal performance is 0-180%). The amount of such Annual Bonus shall be determined by the Compensation Committee of the Board of Directors of DMC (the "Compensation Committee"); provided, however, that a minimum Annual Bonus of Five Hundred Fifty Thousand Dollars ($550,000) for fiscal year 2022 will be guaranteed, subject to Section 6. For the avoidance of doubt, the Annual Bonus for Executive's first year of employment will be not prorated. Any Annual Bonus paid pursuant to this Agreement will be subject to applicable withholdings and deductions and will be paid within seventy-four (74) days after the end of the calendar year to which the bonus relates.

5.3 Long Term Incentive Plan.

(a) Executive will be eligible to participate in DMC's Long-Term Incentive Program ("LTIP") as applicable to its senior executives and as in effect from time to time. Executive's target annual value for the LTIP shall be 200% of Executive's Base Salary, or such lesser amount as may be established by the Company in accordance with Company-wide expense reduction activities that similarly reduce the LTIP award opportunities of DMC's senior executives generally. The type and proportion of incentives provided to Executive under the LTIP shall be the same type and proportion of incentives as are provided to similarly situated executives of DMC.

(b) The award agreements for LTIP grants pursuant to the 2016 Omnibus Incentive Plan shall be substantially in the forms attached asExhibit A hereto, as such forms may be changed from time to time in the Compensation Committee's discretion and as applicable to all senior executive officers of DMC.

5.4 Welfare and Benefit Plans. During Executive's employment, (a) Executive shall be eligible to participate in all incentive, savings and retirement plans, practices, policies and programs of DMC and the Company; and (b) Executive and/or Executive's family, as the case may be, shall be eligible to participate in, and shall receive all benefits under all welfare benefit plans, practices, policies and programs provided by DMC and the Company (including, to the extent provided, without limitation, medical, prescription, dental, vision, disability, salary continuance, employee life insurance, group life insurance, accidental death and travel accident insurance plans and programs) (all such plans collectively, the "Plans"), subject to the terms and conditions of any such Plans. Except as provided herein, neither DMC nor the Company shall be required to establish or continue the Plans or take any action to cause Executive to be eligible for any Plans on a basis more favorable than that applicable to DMC's executives generally.

5.5 Car Allowance. During the Term, Executive shall be entitled to receive a car allowance of $1,500 per month under DMC's policy applicable to its senior executives, as in effect from time to time.

5.6 Reimbursement. The Company shall reimburse Executive (or, in the Company's sole discretion, shall pay directly), upon presentation of vouchers and other supporting documentation as the Company may reasonably require, for reasonable out-of-pocket expenses incurred by Executive relating to the business or affairs of the Company or the performance of Executive's duties hereunder, including, without limitation, reasonable expenses with respect to entertainment, travel and similar items, dues for membership in professional organizations, and similar professional development expenses; provided, however, that the incurring of such expenses shall have been approved in accordance with the Company's regular reimbursement procedures and practices in effect from time to time.

5.7 Paid Time Off. In addition to statutory holidays, Executive shall be entitled to up to five (5) weeks paid time off each calendar year during Executive's employment. Time off shall accrue pursuant to the Company's policies applicable to all employees of the Company.

5.8 Indemnification Agreement. DMC will enter into an indemnification agreement with Executive upon the Effective Date consistent with agreements applicable to all senior executive officers of DMC and substantially in the form attached hereto as Exhibit B, as such form may be changed from time to time by mutual written agreement of the parties (the "Indemnification Agreement"). DMC will maintain Directors and Officers insurance with coverage applicable to Executive during the Term and after the Term consistent with the coverage available to senior executives of DMC generally. The foregoing obligations shall survive the termination of Executive's employment with DMC and its subsidiary.

5.9 Withholding. The Company may withhold and deduct, or cause to be withheld or deducted, from Executive's compensation and benefits all applicable amounts as required by law or authorized by Executive.

5.10 Reservation of Rights. The Company reserves in its sole discretion the right to modify, suspend or discontinue any and all of the employee benefit plans, practices, policies and programs referenced in Sections 5.2 through 5.5 at any time without recourse by Executive, so long as such action is taken with respect to the Company's executives generally.

6. Payments Upon Termination of Employment.

6.1 Termination of Employment. Either the Company may terminate Executive's employment or Executive may resign at any time upon written notice. The date of Executive's termination shall be (a) if Executive's employment is terminated by Executive's death, the date of Executive's death; (b) if written notice is given by either DMC or Executive not to renew the Term, the end of the then-applicable Term; (c) if Executive's employment is terminated by the Company, the date stated in the notice of termination, which shall be at least thirty (30) days after the delivery of written notice; or (d) if Executive's employment is terminated by Executive, the date stated in the notice of resignation. For the avoidance of doubt, in no event shall the delivery of notice not to renew the Term by either DMC or Executive be considered a termination by the Company without Cause or a resignation by Executive for Good Reason that would entitle Executive to payments under Section 6.3.

6.2 Accrued But Unpaid Salary and Bonus. In the event Executive's employment with the Company terminates for any reason, the Company shall pay to Executive (or, in the event of Executive's death, to Executive's estate or named beneficiary) (a) any Base Salary, paid time off, expense reimbursements, and benefits that are accrued but unpaid as of the date of termination and (b) any earned but unpaid Annual Bonus for any prior calendar year (subsections (a) and (b) collectively, the "Accrued Obligations"). The Company shall provide that Executive and his eligible dependents may elect to continue health care coverage under COBRA for the relevant period permitted by COBRA at Executive's cost. Executive shall not be entitled to any additional payments or consideration in the event of the termination of Executive's employment, other than as set forth below.

6.3 Resignation Without Good Reason; Termination for Cause. If Executive resigns from his employment without Good Reason or the Company terminates Executive for Cause, Executive shall only receive his Accrued Obligations and any other rights to which he is entitled under the Company's benefit plans. Executive shall not be entitled to any other form of compensation and all other obligations of the Company to Executive pursuant to this Agreement shall automatically terminate.

6.4 Severance.

(a) Upon termination of Executive's employment with the Company due to death or Disability (defined below), in addition to the Accrued Obligations, the Company shall pay and provide to Executive the following payments and benefits:

(i) A prorated Annual Bonus for the calendar year during which the date of termination occurs, the amount of which shall be equal to the amount of the Annual Bonus that would have been paid to Executive had he remained employed for the entire calendar year based upon actual performance multiplied by a fraction, the numerator of which is the number of days in such calendar year prior to and including the date of termination and the denominator of which is the number of days in such calendar year, payable at the same time that annual bonuses are payable to DMC's senior executives generally (the "Prorated Bonus"); and

(ii) To the extent then-outstanding and unvested, any LTIP Awards grants contemplated by Section 5.3 shall vest in full and become non-forfeitable.

(b) Upon termination of Executive's employment with the Company by the Company without Cause (defined below) or upon Executive's resignation from employment for Good Reason (defined below), in either case absent a Change in Control (defined below), and in each case contingent upon Executive's execution, non-revocation, and delivery of a Confidential Severance and Release Agreement in a form substantially similar to Exhibit C of this Agreement and acceptable to the Company (the "Release Agreement"), in addition to the Accrued Obligations, Executive shall be entitled to the following payments and benefits:

(i) A lump sum severance payment in an amount equal to (x) twelve (12) months of Base Salary; and (y) one (1) times the sum of the average Annual Bonus (if any) paid to Executive for the two (2) years preceding the date of termination (or, if shorter, the Annual Bonus paid (if any) in the preceding year, or if Executive has not yet completed an Annual Bonus cycle, the Target Bonus), less applicable withholdings and deductions, payable on the 60th day following the date of termination (or the following business day, if such date is not a business day);

(ii) A Prorated Bonus; and

(iii) To the extent then-outstanding and unvested, any LTIP grants contemplated by Section 5.3 shall vest in full and become non-forfeitable.

(c) Upon termination of Executive's employment with the Company by the Company without Cause or upon Executive's resignation from

employment for Good Reason, in either case within one year following a Change in Control, in each case contingent upon Executive's execution, non-revocation, and delivery of the Release Agreement, in addition to the Accrued Obligations, Executive shall be entitled to the following payments and benefits:

(i) A lump sum severance payment in an amount equal to (x) twenty-four (24) months of Base Salary; and (y) one (1) times the sum of the average Annual Bonus (if any) paid to Executive for the two (2) years preceding the date of termination (or, if shorter, the Annual Bonus paid (if any) in the preceding year, or if Executive has not yet completed an Annual Bonus cycle, the Target Bonus), less applicable withholdings and deductions, payable on the 60th day following the date of termination (or the following business day, if such date is not a business day);

(ii) A Prorated Bonus; and

(iii) To the extent then-outstanding and unvested, any LTIP grants contemplated by Section 5.3 shall vest in full and become non-forfeitable.

(d) The Company's obligations under this Section 6.3 (other than the Accrued Obligations) are subject to the requirements and time periods set forth in this Section 6.3 and in the Release Agreement. Prior to receiving the payments described in this Section 6.3, Executive shall execute the Release Agreement on or before the date sixty (60) days after the last day of Executive's employment and shall not revoke such Release Agreement during any applicable revocation period. If Executive fails to timely execute and remit the Release Agreement, or revokes such Release Agreement, Executive waives any right to the payments provided under this Section 6.3. The Company will have no further obligations to Executive under this Agreement or otherwise after making payments pursuant to this Section 6.3, if any. Lump sum cash severance payments under this Section 6.3 shall be made within sixty (60) days of Executive's execution and delivery of the Release Agreement; provided, however, that Executive has not and can no longer revoke the Release Agreement on the date of payment.

(e) Notwithstanding anything in the Agreement to the contrary, the Company shall have the right to terminate all payments and benefits owing to Executive pursuant to this Section 6.3 upon Company's discovery of any material breach by Executive of Executive's continuing obligations under this Agreement or Executive's obligations under the Release Agreement.

6.5 Definitions. For purposes of this Agreement, capitalized terms used in this Section 6 but not otherwise defined in this Agreement shall have the meaning hereby assigned to them as follows:

(a) "Cause" shall mean Executive's: (i) theft or embezzlement of Company funds or assets; (ii) conviction of, or guilty plea or no contest plea, to a felony charge or any misdemeanor involving moral turpitude; (iii) noncompliance with any laws or regulations, foreign or domestic, that materially and adversely affects the operation of the Company's business; (iv) violation of any lawful express direction of, or any material violation of a rule, regulation or policy established by the Company or DMC, so long as such rule, regulation or policy is consistent with the terms of this Agreement, that materially and adversely affects the operation of the Company's business; or (v) material breach of this Agreement or any award agreement for LTIP grants between the Executive and the Company or DMC, or breach of the Executive's fiduciary duties, in each case, that materially and adversely affects the operation of the Company's business; provided however, that Cause shall not exist for subparagraph (iv) or (v) unless Executive has been given written notice specifying the act, omission, or circumstances alleged to constitute Cause and, to the extent curable, Executive fails to cure or remedy such act, omission, or circumstances within thirty (30) days after receipt of such notice, as determined by the Company reasonably and in good faith.

(b) "Change in Control" shall mean

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 25% of either (1) the then outstanding shares of common stock of DMC (the "Outstanding DMC Common Stock") or (2) the combined voting power of the then outstanding voting securities of DMC entitled to vote generally in the election of directors (the "Outstanding DMC Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from DMC, (2) any acquisition by DMC, including any acquisition which, by reducing the number of shares outstanding, is the sole cause for increasing the percentage of shares beneficially owned by any such Person to more than the applicable percentage set forth above, or (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by DMC or any corporation controlled by DMC.

(ii) Individuals who, as of the date hereof, constitute the board of directors of DMC (the "Incumbent Board") cease for any reason within any period of 24 months to constitute at least a majority of the Incumbent Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by DMC's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the board of directors of DMC.

(iii) Consummation by DMC of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of DMC or the acquisition of assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, (1) more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including without limitation, a corporation which as a result of such transaction owns DMC or all or substantially all of DMC's assets either directly or through one or more subsidiaries) is represented by Outstanding DMC Common Stock and Outstanding DMC Voting Securities, respectively, that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Outstanding DMC Common Stock and Outstanding DMC Voting Securities were converted pursuant to such Business Combination) and such ownership of common stock and voting power among the holders thereof is in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding DMC Common Stock and Outstanding DMC Voting Securities, as the case may be, (2) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination.

(iv) Approval by the stockholders of DMC of a complete liquidation or dissolution of DMC.

(v) Consummation by DMC of the sale or other disposition of the Company or all or substantially all of the assets of the Company.

(c) "Disability" shall mean the inability of Executive to perform Executive's essential duties and responsibilities under this Agreement with or without reasonable accommodation for a continuous period exceeding ninety (90) days or for a total of one hundred eighty (180) days during any period of twelve (12)

consecutive months as a result of a physical or mental illness, disease or personal injury.

(d) "Good Reason" shall mean, in the context of a resignation by Executive, a resignation that occurs within sixty (60) days following the Company's failure to cure any of the following within sixty (60) days of receiving written notice from Executive of the existence of any of the following, which written notice must be provided within sixty (60) days of the initial occurrence of such item and must specify in detail the facts and circumstances giving rise to such item: (i) a material diminution of Executive's duties or responsibilities from those reasonably expected in Executive's role as president of a business unit of DMC, (ii) any reduction in Executive's Base Salary (but excluding any reduction due to withholdings set forth in Section 5.9) or nonpayment of Executive's Base Salary, (iii) any material change in the primary geographic location at which the Executive must perform services, or (iv) any material breach of this Agreement by the Company.

7. Confidential Information.

7.1 For the purposes of this Agreement, "Confidential Information" means all information, data, knowledge, and know-how relating, directly or indirectly, to DMC, the Company and their businesses, including, without limitation: (a) business plans and strategies, prospect information, financial information, investment plans, marketing plans and strategies, financial plans and strategies; (b) confidential personnel or human resources data; (c) customer lists, customer information, pricing information, supplier/vendor lists, customer and supplier/vendor strategies and plans, contracts, agreements, and leases; (d) any other information having present or potential commercial value; (e) the whole or any portion or phase of any proprietary information or trade secrets; (f) ideas, methods, know-how, techniques, systems, processes, software programs, works of authorship, projects, or plans; and (g) confidential information of any kind in possession of DMC or the Company, whether developed for or by DMC or the Company (including information developed by Executive), received from a third party in confidence, or belonging to others and licensed or disclosed to the Company in confidence for use in any aspect of its business. Any Intellectual Property (defined below) that is not publicly available shall also constitute part of the Confidential Information. The list set forth above is not intended by the Company to be a comprehensive list of Confidential Information. All Confidential Information shall be treated as Confidential Information regardless of whether it pertains to the Company or its customers and regardless of whether it is marked or designated as "confidential." For purposes of this Agreement, Confidential Information shall not include general industry knowledge, information that is publicly available (other than as a result of a breach of this Agreement), or information that becomes available to Executive on a non-confidential basis from a source other than the Company; provided, however, that such source is not bound by a confidentiality agreement or other obligation with respect to confidentiality.

7.2 Executive acknowledges that the success of the Company depends in large part on the protection of the Confidential Information. Executive further acknowledges that in the course of Executive's employment with the Company, Executive has or will become familiar with the Confidential Information. Executive recognizes and acknowledges that the Confidential Information is a valuable, special and unique asset of DMC and the Company's businesses, access to and knowledge of which are essential to the performance of Executive's duties hereunder. Executive acknowledges that use or disclosure of the Confidential Information outside the performance of Executive's job duties for the Company would cause harm and/or damage to the Company.

7.3 Executive agrees that, both during and after the Term, Executive will not, except in the ordinary course of Executive's employment with the Company and for the benefit of the Company, disclose any Confidential Information to any person, firm, business, company, corporation, association, or any other entity for any reason or purpose whatsoever. Executive also agrees that, both during and after the Term, Executive will not, except in the ordinary course of Executive's employment with the Company and for the benefit of the Company, make use of any Confidential Information for Executive's own purposes or for the benefit of any person, firm, business, company, corporation, or any other entity for any reason or purpose whatsoever. Executive shall consider and treat as confidential all Confidential Information in any way relating to the Company's business and affairs, whether created by Executive or otherwise coming into Executive's possession before, during, or after the termination of Executive's employment. Executive shall secure and protect the Confidential Information in a manner designed to prevent all access and uses thereof contrary to the terms of this Agreement. Executive further agrees that Executive shall use Executive's best efforts to assist the Company in identifying and preventing any use or disclosure of the Confidential Information contrary to this Agreement.

7.4 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, the parties to this Agreement have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

7.5 Executive represents and warrants that, upon separation of employment, and without any request by the Company, Executive will return to the Company any and all property, documents, and files (including all recorded media, such as papers, computer disks, drives, or other data storage devices, copies, photographs, and maps) that contain Confidential Information or relate in any way to the Company or its business. Executive agrees, to the extent Executive possesses any files, data, or information relating in any way to DMC or the Company or their business on any personal computer, device, or account, Executive will first return to the Company such files, data, or information and then delete those files, data, or information (and will retain no copies in any form). Executive also will return any Company tools, equipment, calling cards, credit cards, access cards or keys, any keys to any filing cabinets, vehicles, vehicle keys, and all other Company property in any form prior to the last date of employment. Notwithstanding anything in the foregoing to the contrary, Executive shall be entitled to retain Executive's cell phone (including Executive's phone number to the extent practicable) and personal rolodex, so long as any Confidential Information or Intellectual Property is deleted from such device on Executive's last date of employment.

8. Intellectual Property.

8.1 "Intellectual Property" means any and all original works of authorship, developments, concepts, improvements, designs, discoveries, ideas, trademarks, service marks, or trade secrets, or inventions, whether or not patentable or registrable under copyright or similar laws, which Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time Executive is employed by the Company.

8.2 Executive hereby assigns to the Company, or its designee, all of Executive's right, title, and interest in and to all Intellectual Property, except where prohibited by law, so that the Company is the exclusive owner of the Intellectual Property. Executive further acknowledges that all original works of authorship which are made by Executive (solely or jointly with others) within the scope of and during the period of Executive's employment with the Company and which are protectable by

copyright are "works made for hire" as that term is defined in the United States Copyright Act, and that such works made for hire shall constitute part of the Intellectual Property. Executive shall not use any Intellectual Property except for the exclusive benefit of the Company. Executive agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure or enforce the Company's rights in any Intellectual Property.

8.3 Unless otherwise set forth in an attachment to this Agreement, Executive warrants and represents that there are no original works of authorship, developments, concepts, improvements, designs, discoveries, ideas, trademarks, service marks, or trade secrets, or inventions which were made or acquired by Executive prior to Executive's employment by the Company, which are owned in whole or in part by Executive, which relate to the business, or the Company's proposed business, and which are not assigned to the Company under this Agreement.

8.4 Notwithstanding anything herein to the contrary, Executive understands that the assigned Intellectual Property shall not include any Intellectual Property that qualifies fully for exclusion under the provisions of Section 2870 of the California Labor Code, which are attached hereto as Exhibit D.

9. Non-Solicitation. During Executive's employment with the Company and for a period of one (1) year (the "Restricted Period") following the termination (whether voluntary or involuntary) of Executive's employment (the "Separation Date"), Executive shall not directly or indirectly interfere in any way with the relationship between the Company and any employee, agent, or consultant of the Company who provided services to the Company within the twelve (12) months preceding the Separation Date, including, without limitation, directly or indirectly soliciting, inducing, enticing, employing, or attempting to solicit, induce, entice, or employ any such employee, agent, or consultant of the Company.

10. Equitable Remedies. The services to be rendered by Executive and the Confidential Information entrusted to Executive as a result of Executive's employment by the Company are of a unique and special character, and, notwithstanding any other provision in this Agreement, any breach by Executive of this Agreement, will cause the Company immediate and irreparable injury and damage, for which monetary relief would be inadequate or difficult to quantify. The Company will be entitled to, in addition to all other remedies available to it, injunctive relief, specific performance, or any other equitable relief to prevent a breach and to secure the enforcement of the provisions of this Agreement. It is hereby further agreed that the provisions of Sections 7 through 9 are separate from and independent of the remainder of this Agreement and that these provisions are specifically enforceable by the Company notwithstanding any claim made by Executive against the Company.

11. Cooperation. After the termination of Executive's employment, Executive agrees to cooperate and provide reasonable assistance, at the request of the Company, in the transitioning of Executive's job duties and responsibilities, and upon receipt of reasonable notice from the Company, to cooperate with and assist the Company with any investigation, lawsuit, arbitration, or other proceeding to which the Company is subjected to the extent that such investigation, lawsuit, arbitration or other proceeding relates to the period of Executive's employment with the Company. Executive also agrees to be reasonably available to the Company or its representatives to provide general advice or assistance as requested by the Company, including for preparation for, and attendance of, hearings, proceedings or trial, including pretrial discovery and trial preparation to the extent that such investigation, lawsuit, arbitration or other proceeding relates to the period of Executive's employment with the Company. Executive further agrees to perform all acts and execute any documents that may be necessary to carry out the provisions of this Section 11. Upon presentation of appropriate documentation, the Company shall pay or reimburse Executive for all reasonable out-of-pocket expenses, including travel, duplicating and telephonic expenses, incurred by Executive in complying with this Section 11.

12. Business Opportunities. Executive shall promptly disclose to the Company all material business ideas, prospects, proposals, and other opportunities pertaining to any aspect of the Company's business that are originated by any third parties and brought to the attention of Executive during the Term.

13. Representations and Warranties. Executive hereby represents and warrants to the Company as follows:

13.1 Executive acknowledges the success of the Company's business depends in large part on the protection of the Confidential Information and trade secrets. Executive acknowledges Executive's access to the Confidential Information, coupled with the personal relationships and goodwill between the Company and its customers would enable Executive to compete unfairly against the Company;

13.2 Executive acknowledges this Agreement is intended to protect the Company's Confidential Information and that, given the nature of the business in which the Company is engaged, the restrictions in Sections 7 through 9 are reasonable and necessary to protect the legitimate interests of the Company;

13.3 Executive has full power, authority, and capacity to enter into this Agreement and to perform Executive's obligations hereunder. This Agreement has been voluntarily executed by Executive and constitutes a valid and binding agreement of Executive;

13.4 Executive has read this Agreement and has had the opportunity to have this Agreement reviewed by Executive's legal counsel;

13.5 Executive acknowledges and agrees that the payments and other consideration set forth above constitute sufficient consideration for this Agreement;

13.6 To the best of Executive's knowledge, Executive's employment with the Company will not (a) conflict with or result in a breach of any of the provisions of, (b) constitute a default under, (c) result in the violation of, (d) give any third party the right to terminate or to accelerate any obligation under, or (e) require any authorization, consent, approval, execution, or other action by or notice to any court or other governmental body under the provisions of any other agreement or instrument to which Executive is a party;

13.7 Executive has not previously and will not in the future disclose to the Company any proprietary information, trade secrets, or other confidential information belonging to any previous employer or other third party to whom Executive has an obligation of confidentiality, and Executive has not previously and will not bring onto the premises of Company or use any unpublished documents or any property belonging to any former employer or other third party to whom Executive has an obligation of confidentiality, unless consented to in writing by that former employer or person; and

13.8 Executive will notify business partners and future employers of Executive's obligations under this Agreement, and Executive consents to such notification by the Company.

14. Waivers and Amendments. The respective rights and obligations of the Company and Executive under this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely) or amended only with the written consent of a duly authorized representative of the Company and Executive. The waiver by either Party of a breach of any provision of this Agreement by the other Party shall not operate or be construed as a waiver of any subsequent breach by such other Party. The failure of any Party to insist upon strict performance of any of the terms or conditions of this Agreement shall not constitute a waiver of any of such Party's rights hereunder.

15. Successors and Assigns. The provisions hereof shall inure to the benefit of, and be binding upon and assignable to, successors of the Company by way of merger, consolidation or sale. Executive may not assign or delegate to any third person Executive's obligations under this Agreement. The rights and benefits of Executive under this Agreement are personal to Executive (or, in the event of Executive's death or disability, Executive's personal representative, heirs, or beneficiaries), and no such right or benefit shall be subject to voluntary or involuntary alienation, assignment or transfer.

16. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement of the Parties with regard to the subjects hereof and supersedes in its entirety all other or prior or contemporaneous agreements, whether oral or written, with respect thereto.

17. Notices. Any notices, consents, or other communication required to be sent or given hereunder by any of the Parties shall in every case be in writing and shall be deemed properly served if (a) delivered personally, (b) sent by registered or certified mail, in all such cases with first class postage prepaid, return receipt requested, or (c) delivered by a nationally recognized overnight courier service to the Parties at the addresses set forth below:

If to DMC or the Company:

Arcadia Products, LLC
c/o DMC Global Inc.
11800 Ridge Parkway, Suite 300
Broomfield, CO 80021
Attention: Kevin Longe
Email: [***]

With a copy to:

DMC Global Inc.
11800 Ridge Parkway, Suite 300
Broomfield, CO 80021
Attention: Michelle Shepston
Email: [***]

If to Executive, to the address set forth on the signature page of this Agreement or to the current address listed in the Company's records.

18. Venue and Applicable Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of California, without regard to its conflicts of law provisions. Venue and jurisdiction will be in the California state or federal courts.

19. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

20. Section 409A.

20.1 This Agreement is intended to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") ("Section 409A") and shall be construed accordingly. It is the intention of the Parties that payments or benefits payable under this Agreement not be subject to the additional tax or interest imposed pursuant to Section 409A. To the extent such potential payments or benefits are or could become subject to Section 409A, the Parties shall cooperate to amend this Agreement with the goal of giving Executive the economic benefits described herein in a manner that does not result in such tax or interest being imposed. However, in no event shall the Company be liable to Executive for any taxes, interest, or penalties due as a result of the application of Section 409A to any payments or benefits provided hereunder.

20.2 Each payment provided for in this Agreement shall, to the extent permissible under Section 409A, be deemed a separate payment for purposes of Section 409A.

20.3 Payments or benefits pursuant to this Agreement shall be treated as exempt from Section 409A to the maximum extent possible under Treasury Regulation Section 1.409A-1(b)(9)(v), and/or under any other exemption that may be applicable, and this Agreement shall be construed accordingly.

20.4 All taxable expenses or other reimbursements or in-kind benefits under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive. Any such taxable reimbursement or any taxable in-kind benefits provided in one calendar year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

20.5 Executive shall have no right to designate the date of any payment hereunder.

20.6 The definition of Good Reason is intended to constitute "good reason" as such term is used in Treas. Reg. §1.409A-1(n)(2) and shall be interpreted and construed accordingly, and to the maximum extent permitted by Section 409A and guidance thereunder, a termination for Good Reason shall be an "involuntary separation from service" as such term is used in Treas. Reg. §1.409A-1(n). For purposes of Section 6 of this Agreement, "termination" (or any similar term) when used in reference to Executive's employment shall mean "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder, and Executive shall be considered to have terminated employment with the Company when, and only when, Executive incurs a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder.

20.7 Notwithstanding any other provision of this Agreement to the contrary, if (a) on the date of Executive's separation from service (as such term is used or defined in Section 409A(a)(2)(A)(i), Treasury Regulation Section 1.409A-1(h), or any successor law or regulation), any of the Company's equity is publicly traded on an established securities market or otherwise (within the meaning of Section 409A(a)(2)(B)(i) of the Code) and (b) as a result of such separation from service, Executive would receive any payment that, absent the application of this sentence, would be subject to interest and additional tax imposed pursuant to Section 409A as a result of the application of Section 409A(2)(B)(i), then, to the extent necessary to avoid the imposition of such interest and additional tax, such payment shall be deferred until the earlier of (i) 6 months after Executive's separation from service, (ii) Executive's death, (iii) of such earlier time as may be permitted under Section 409A.

21. Severability; Titles and Subtitles; Gender; Singular and Plural; Counterparts; Facsimile; Legal Fees.

21.1 In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. In the event any provision is held illegal, invalid, or unenforceable, such provision shall be limited or revised by a court of competent jurisdiction so as to give effect to the provision to the fullest extent permitted by applicable law. If any of the covenants in Sections 7 through 9 are held to be unreasonable, arbitrary, or against public policy, such covenants will be considered divisible with respect to scope, time, and geographic area, and in such lesser scope, time, and geographic area, will be effective, binding and enforceable against Executive to the greatest extent possible.

21.2 The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

21.3 The use of any gender in this Agreement shall be deemed to include the other genders, and the use of the singular in this Agreement shall be deemed to include the plural (and vice versa), wherever appropriate.

21.4 This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together constitute one instrument.

21.5 Counterparts of this Agreement (or applicable signature pages hereof) that are manually signed and delivered by facsimile, scanned, or electronic transmission shall be deemed to constitute signed original counterparts hereof and shall bind the Parties signing and delivering in such manner.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above specified.

DMC:

DMC Global Inc.

By: /s/ Michael Kuta
Name: Michael Kuta
Title: Chief Financial Officer

COMPANY:

Arcadia Products, LLC

By: /s/ Michelle Shepston
Name: Michelle Shepston
Title: Vice President and Secretary

EXECUTIVE:

/s/ James Schladen
James Schladen

Address: [***]
[***]

Signature Page to
Executive Employment Agreement

Exhibit D

CALIFORNIA LABOR CODE 2870 NOTICE:

California Labor Code Section 2870 provides as follows:
Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under California Labor Code Section 2870(a), the provision is against the public policy of this state and is unenforceable.

Exempted intellectual property under California Labor Code Section 2870:

1.

Exhibit 10.4

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

RESTRICTIVE COVENANT AGREEMENT

THIS RESTRICTIVE COVENANT AGREEMENT ("Agreement") is made as of December 23, 2021 by and among James Henry Schladen and Victoria Ann Schladen, Trustees of the Schladen Family Trust Dated December 7, 2006 (the "Schladen Family Trust"), James Henry Schladen, an individual ("J. Schladen"), Victoria Ann Schladen, an individual ("V. Schladen" and, together with the Schladen Family Trust and J. Schladen, the "Covenantors"), Arcadia Products, LLC, a Colorado limited liability company (the "Company"), and DMC Global Inc., a Delaware corporation ("Parent").

RECITALS

WHEREAS, Parent, Arcadia, Inc. ("Arcadia") and the Schladen Family Trust are parties to that certain Equity Purchase Agreement by and among Parent, the Schladen Family Trust, J. Schladen, V. Schladen and certain other parties, dated December 16, 2021 (the "Purchase Agreement");

WHEREAS, J. Schladen and V. Schladen are trustees of the Schladen Family Trust;

WHEREAS, the Covenantors recognize Parent's interests in acquiring and protecting, among other things, the Company's relationships with customers, suppliers and others, and the goodwill associated with its ongoing business; and

WHEREAS, in connection with the closing of the transactions contemplated by the Purchase Agreement, and to enable Parent to secure more fully the benefits of such transactions, the Covenantors have agreed to enter into this Agreement, and the Covenantors are entering into this Agreement in order to induce Parent to consummate the transactions contemplated by the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations contained herein and in the Purchase Agreement, Parent, the Company and the Covenantors agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 Definitions.

"Affiliate" means, with respect to any subject Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such subject Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this Agreement, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Business" means the business and operations carried on by the Company as of the Closing Date (as defined in the Purchase Agreement).

"Business Day" means a day other than any day on which banks are authorized or obligated by Legal Requirements or executive order to close in Denver, Colorado or New York, New York.

"Confidential Information" means any non-public information (whether or not in written form and whether or not expressly designated as confidential) relating directly or indirectly to the Company or its Subsidiaries or relating directly or indirectly to the business, operations, financial affairs, performance, assets, technology, processes, products, contracts, customers, licensees, sublicensees, suppliers, personnel, consultants or plans of the Company or its Subsidiaries (including any such information consisting of or otherwise relating to trade secrets, know how, technology, inventions, prototypes, designs, drawings, sketches, processes, license or sublicense arrangements, formulae, proposals, research and development activities, customer lists or preferences, pricing lists, referral sources, marketing or sales techniques or plans, operations manuals, service manuals, financial information, projections, lists of consultants, lists of suppliers or lists of distributors); provided, however, that "Confidential Information" shall not be deemed to include information that (i) is publicly known as of the date hereof, (ii) has been independently developed and disclosed by parties other than the Company and its Subsidiaries and their respective directors, officers, employees, consultants, members, shareholders, agents, advisors, representatives and Affiliates, (iii) becomes available to a Covenantor on a non-confidential basis after the date hereof from a source who is not known to Covenantor to be violating an obligation of confidentiality owed to the Company or its Subsidiaries with respect thereto, or (iv) otherwise enters the public domain after the date hereof other than as a result of a Covenantor's breach of this Agreement.

"Governmental Authority" means any United States or foreign federal, state, provincial or local government or other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory, taxing or administrative functions of any such government or political subdivision, and any supranational organization of sovereign states exercising such functions for such sovereign states.

"Legal Requirement" means any constitution, law, statute, ordinance, rule, regulation, regulatory requirement, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a Governmental Authority or securities exchange.

"Person" means an individual, a corporation, a partnership, an association, a limited liability company, a Governmental Authority, a trust, joint venture or other entity or organization.

"Prohibited Period" means the period from the date of this Agreement until the fifth anniversary of the date of this Agreement.

"Restricted Area" means the U.S. states and territories in which the Company has carried out the Business or sold products in the two (2) years prior to the Closing Date.

"Restricted Employee" means any individual who on the Closing Date is an employee of Parent, the Company, its Subsidiaries or their respective Affiliates.

"Subsidiary" means with respect to any Person, any corporation, limited liability company, partnership, 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 limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interests thereof having the power to govern or elect members of the applicable governing body of such entity is at the time owned or controlled, directly or indirectly, by that Person or one or more subsidiaries of that Person or a combination thereof; and the term "Subsidiary" with respect to any Person shall include all subsidiaries of each subsidiary of such Person.

1.2 Rules of Construction. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The word "or" is not exclusive. The words "include", "includes" and "including", in each instance in which any of such words appears herein, shall be deemed to be followed by the phrase "without limitation". The words "shall" and "will" are used interchangeably and have the same meaning. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). All recitals and headings in this Agreement are included for convenience and do not constitute a representation or warranty of any kind or affect the construction or interpretation of any provision of, or the rights or obligations of any party under, this Agreement. Any reference to value in this Agreement shall be measured in United States dollars.

ARTICLE II
RESTRICTIVE COVENANTS

2.1 Non-Competition; Non-Solicitation.

(a) Subject to the exceptions set forth in Section 2.1(b), each Covenantor expressly covenants and agrees that during the Prohibited Period (i) such Covenantor will not, and will cause its respective Affiliates not to, carry on or engage in (other than through and on behalf of, and for the sole benefit of, Parent, the Company, its Subsidiaries and their respective Affiliates), directly or indirectly, the Business or any part thereof in the Restricted Area, and (ii) such Covenantor will not, and such Covenantor will cause its respective Affiliates not to, directly or indirectly, engage or invest in, own, manage, operate, join, finance or control, or participate in the ownership, management, operation, finance or control of, or become an employee of, partner in, investor, lender, advisor, director, consultant, owner or member of (or an independent contractor to), associated with or in any manner connected or affiliated with, or render services or advice to, any Person (other than Parent, the Company, its Subsidiaries and their respective Affiliates) engaged in the Business or any part thereof within the Restricted Area as of the Closing Date (a "Competing Business").

(b) Notwithstanding the restrictions contained in Section 2.1(a), no Covenantor or any of its Affiliates shall be prohibited from owning (i) an aggregate of up to five percent (5%) of the outstanding stock of a corporation (including a Competing Business) that is publicly traded on a national securities exchange or in the over-the-counter market so long as such Covenantor or such Affiliate, as applicable, has no power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management, strategy or business of such corporation or (ii) shares of common stock or preferred stock of Parent.

2.2 Each Covenantor further expressly covenants and agrees that during the Prohibited Period such Covenantor will not, and such Covenantor will cause its Affiliates not to, directly or indirectly (whether as an employee, agent, contractor or otherwise), (i) induce or attempt to induce any Restricted Employee to leave the employ of Parent, the Company, its Subsidiaries or their respective Affiliates; (ii) in any way interfere with the relationship between Parent, the Company, its Subsidiaries or their respective Affiliates, on the one hand, and any Restricted Employee on the other hand; (iii) canvass, solicit, approach or contact with a view to the engagement or employment of any Person who is a Restricted Employee; (iv) employ, or otherwise engage as an employee, independent contractor or otherwise, any Restricted Employee in any Competing Business of such Covenantor or its Affiliates located in a State other than the State of California (to the extent the restriction imposed by this clause (iv) is permitted by the laws of that State); or (v) in each case, in connection with a Competing Business, canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from Parent, the Company, its Subsidiaries or their respective Affiliates any Person who is a customer, supplier, licensee or business relation of Parent, the Company, its Subsidiaries or their respective Affiliates with respect to the Business in the Restricted Area, or induce or attempt to induce any such Person to cease or reduce the extent of doing business with Parent, the Company, its Subsidiaries or their respective Affiliates with respect to the Business in the Restricted Area, or in any way interfere with the relationship between Parent, the Company, its Subsidiaries or their respective Affiliates, on the one hand, and any customer, supplier, licensee or business relation of Parent, the Company, its Subsidiaries or their respective Affiliates, on the other hand, with respect to the Business in the Restricted Area; provided, however, that the foregoing restrictions shall not apply to general advertisements of employment opportunities which are not targeted at any employee(s) or the hiring of persons who respond to any such general advertisements without any other encouragement, inducement, attempted inducement, recruitment, solicitation or attempted solicitation (or any action attempting to achieve the foregoing) by (or on behalf of) any Covenantor.

2.3 Relief. Each Covenantor acknowledges that the covenants made by such Covenantor in this Article II are made to and for the express benefit of, and may be enforced by, each of Parent and the Company. Each Covenantor also acknowledges that money damages would not be a sufficient remedy for any breach of this Article II by any Covenantor. All remedies, either under this Agreement or by law or otherwise afforded to Parent, the Company, its Subsidiaries or their respective Affiliates, shall be cumulative and not alternative. The Covenantors agree that in the event of any breach or threatened breach by any Covenantor of any provision of this Article II, Parent and the Company shall each be entitled (in addition to any other remedy that may be available to it) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of this Article II; and (ii) an injunction restraining such breach or threatened breach. In addition, Parent, the Company, its Subsidiaries and their respective Affiliates shall be entitled to all damages or other relief for breach by the Covenantors, as may be awarded by a court of competent jurisdiction to Parent, the Company, its Subsidiaries or their respective Affiliates.

2.4 Reasonableness; Enforcement. Each Covenantor hereby represents to Parent and to the Company that it has read and understands, and agrees to be bound by, the terms of this Article II. Each Covenantor acknowledges that (a) this Agreement is an express incentive for Parent to enter into the Purchase Agreement and to consummate the transactions contemplated thereby; (b) such Covenantor is being provided with the opportunity directly and/or indirectly to receive substantial financial benefit as a result of the Purchase Agreement and the transactions contemplated thereby; and (c) the geographic scope and duration of the covenants contained in this Article II are the result of arm's-length bargaining, do not impose any greater restraint than is necessary to protect the legitimate business interests of Parent in connection with its acquisition of the Company and its Subsidiaries and conduct of the Business and are fair and reasonable in light of (i) the nature and geographic scope of the Company's and its Subsidiaries' existing operations in the Business, (ii) the fact that Parent and its Affiliates have operations throughout the Restricted Area and have invested significant time and resources, including in connection with the acquisition of the Company and its Subsidiaries, in pursuit of their strategy to engage in the Business throughout the Restricted Area and (iii) the amount of Confidential Information that the Covenantors possess. It is the desire and intent of the parties that the provisions of this Article II be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, the parties hereby

waive any provision of applicable Legal Requirements that would render any provision of this Article II invalid or unenforceable.

2.5 Reformation. Each Covenantor agrees that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Article II would cause irreparable injury to Parent, the Company, its Subsidiaries and their respective Affiliates. J. Schladen and V. Schladen each further understands that the foregoing restrictions may limit his or her ability to engage in certain businesses in the Restricted Area during the Prohibited Period, but acknowledges that his or her skills are such that he or she can be gainfully employed in non-competitive employment, and that the restrictions in this Article II will not prevent him or her from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable or overly broad as to geographic area or time or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court of competent jurisdiction making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, each Covenantor intends to make this provision enforceable under the law or laws of all applicable States and other jurisdictions so that this Agreement, as prospectively modified, shall remain in full force and effect and shall not be rendered void or illegal.

2.6 Confidentiality. Each Covenantor agrees that it shall hold all Confidential Information in strict confidence and shall not at any time (whether during or after the Restricted Period): (a) reveal, report, publish, disclose or transfer any Confidential Information to any Person (other than Parent, the Company, its Subsidiaries or their respective Affiliates), except (i) in the performance of their obligations under the Purchase Agreement; (ii) in the course of rendering services to Parent, the Company, its Subsidiaries or their respective Affiliates in such Covenantor's capacity as an officer, director or employee; (iii) when required to do so by subpoena, order, judgment, decree or other mandate of a court of competent jurisdiction, by any governmental agency having authority over the Covenantor or the Business or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Covenantor to divulge, disclose or make accessible such information (an "Order"); provided, that in the case of any disclosure of Confidential Information pursuant to an Order, (A) the Covenantor agrees to provide Parent with reasonably prompt, written notice of any such Order (where legally permitted) and to reasonably assist Parent, at Parent's expense, in asserting any legal challenges to or appeals of such Order that Parent in its sole but reasonable discretion pursues, and (B) in complying with any such Order, Covenantor shall limit his, her or its disclosure only to the Confidential Information that is expressly required to be disclosed by such Order; or (b) use any Confidential Information for the benefit of any Person (other than Parent, the Company, its Subsidiaries or their respective Affiliates).

ARTICLE III
MISCELLANEOUS

3.1 Notices. All notices, consents, waivers, agreements or other communications hereunder shall be deemed effective or to have been duly given and made (and shall be deemed to have been duly given or made upon receipt) only if in writing and if (a) served by personal delivery upon the party for whom it is intended, (b) delivered by overnight air courier or (c) sent by facsimile transmission or email, with confirmation of transmission, in each case, to such party at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such party:

If to any Covenantor:

[***]
[***]
Attention: James Henry Schladen and Victoria Ann Schladen
Email: [***]
Facsimile No.: [_____]

with a copy to:
Proskauer Rose LLP
2029 Century Park East
Suite 2400
Los Angeles, CA 90067-3010
Attention: Mitchell M. Gaswirth; Ben D. Orlanski;
Matthew S. O'Loughlin
Email: [***]; [***];
[***]
Facsimile No.: (310) 557-2193

If to Parent or to the Company:

DMC Global Inc.
11800 Ridge Parkway
Suite 300
Broomfield, CO 80021
Attention: Michelle Shepston, Chief Legal Officer
Email: [***]
Facsimile No.: (303) 604-1897

with a copy to:

Davis Graham and Stubbs LLP
1550 17th Street
Suite 500
Denver, CO 80202
Attention: John A. Elofson and Mark C. Bussey
Email: [***] and [***]
Facsimile No.: (303) 893-1379

3.2 Applicable Law; Submission to Jurisdiction; Attorneys' Fees; Waiver of Jury Trial

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to conflicts of laws principles thereof (to the extent that the application of the laws of another jurisdiction would be required thereby).

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in New Castle County, Delaware.

(c) If any legal action or other legal proceeding relating to this Agreement or the enforcement of any term of this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

(d) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

3.3 No Waiver. No failure by any party hereto at any time to give notice of any breach by any other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

3.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

3.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission (including in PDF format) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

3.6 Assignment; Successors. 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 or delegate either this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the other parties.

3.7 Entire Agreement. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (together with the Purchase Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter.

3.8 Modification; Waiver. No modification of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the parties hereto. 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 or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

3.9 Covenantors' Representations and Warranties. The Covenantors, jointly and severally, represent and warrant to Parent and the Company as follows:

(a) (i) each Covenantor has full power, authority and capacity to execute and deliver, and to perform all of his, her or its obligations under, this Agreement; and (ii) neither the execution and delivery of this Agreement nor the performance of this Agreement will result in a violation or breach of: (A) any agreement or obligation by which such Covenantor is or may be bound; or (B) any law, rule or regulation;

(b) the restrictions imposed upon each Covenantor under this Agreement are reasonable; and

(c) each Covenantor (i) has consulted with or has had the opportunity to consult with independent counsel of his, her or its own choice concerning this Agreement and has been advised to do so by Parent; and (ii) has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on her, his or its own judgment.

[SIGNATURE PAGE FOLLOWS]

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

"COVENANTORS"

/s/ James Henry Schladen
James Henry Schladen

/s/ Victoria Ann Schladen
Victoria Ann Schladen

James Henry Schladen and Victoria Ann Schladen, Trustees of the Schladen Family Trust dated December 7, 2006

/s/ James Henry Schladen
James Henry Schladen, Trustee

/s/ Victoria Ann Schladen
Victoria Ann Schladen, Trustee

"COMPANY"

Arcadia Products, LLC, a Colorado limited liability company

By: /s/ Michelle Shepston
Name: Michelle Shepston
Title: Vice President and Secretary

"PARENT"

DMC Global Inc., a Delaware corporation

By: /s/ Michael Kuta
Name: Michael Kuta
Title: Chief Financial Officer

Exhibit 10.5

PROMISSORY NOTE

$24,902,236.00 Broomfield, Colorado
December 23, 2021

FOR VALUE RECEIVED, Synergex Group LLC, Trustee of the Munera Family ESBT ("Borrower"), whose address is ●, promises to pay to the order of DMC Global Inc., a Delaware corporation ("Lender"), at 11800 Ridge Parkway, Suite 300, Broomfield, Colorado 80021, the principal sum of twenty-four million, nine hundred two thousand, two hundred thirty-six and no/100 dollars ($24,902,236.00), together with interest on the outstanding principal balance as specified below..

1. Principal and Interest.

1.1 Interest Rate. The outstanding principal amount of this Promissory Note (this "Note") shall bear simple interest at the rate of 1.89% percent per annum.

1.2 Mandatory Payments.

(a) All accrued but unpaid interest under this Note shall be due and payable annually on each anniversary of the date of this Note.

(b) If at any time all or any portion of Borrower's limited liability company interests ("LLC Interests") in Arcadia, LLC (the "Company") are purchased by Lender pursuant to Article XII of the Amended and Restated Limited Liability Company Agreement of the Company dated as of even date herewith (as amended, modified or supplemented from time to time, the "LLC Agreement"), an amount equal to the Bridge Loan Allocation (as defined in the LLC Agreement) for such transaction shall be withheld by the Lender and applied to the principal amount of this Note and all accrued and unpaid interest thereon as provided in the LLC Agreement.

(c) If all or any portion of Borrower's LLC Interests are sold, directly or indirectly, to a third party in any transaction contemplated by the LLC Agreement, an aggregate amount equal to the proportionate share (based on the ratio of LLC Interest sold versus the LLC Interests held immediately prior to the transaction) of the outstanding principal amount of this Note and all accrued and unpaid interest thereon shall be paid by Borrower to Lender within two (2) days after consummation of the sale transaction.

(d) At such time as the Borrower ceases to own, directly or indirectly, any LLC Interests, any amounts outstanding under this Note which have not yet been repaid pursuant to Sections 1.2(a) or (b) above shall immediately be due and payable.

(e) If not sooner paid, the entire outstanding principal amount of this Note and all accrued and unpaid interest thereon shall be due and payable in full on December ●, 2051.

1.3 Voluntary Prepayments. Borrower may, at any time and from time to time, and without penalty, prepay in cash all or a portion of this Note.

1.4 Application of Payments. All payments of this Note shall be applied, first, to amounts, if any, payable under Section 8 of this Note and then to principal.

2. Security. The obligations of Borrower under this Note are unsecured.

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3. Events of Default.

3.1 Definition. For purposes of this Note, an "Event of Default" shall occur if:

(a) any amount payable under this Note is not paid to Lender within ten (10) days of the date on which it is due;

(b) Borrower dissolves or liquidates (which, for the avoidance of doubt, shall not be triggered by a transfer of LLC Interests in compliance with the LLC Agreement and Section 4(b) of this Note); or

(c) Borrower breaches or otherwise fails to perform or observe any covenant or agreement contained in this Note and such breach or failure either cannot be remedied or, if it can be remedied, continues unremedied for a period of thirty (30) days after the earlier of knowledge thereof by, or notice thereof to, Borrower.

3.2 Consequences of Events of Default. If an Event of Default occurs:

(a) the entire outstanding principal amount of this Note, plus all accrued and unpaid interest thereon, shall immediately become due and payable, without any demand or other action on the part of Lender;

(b) Lender shall also have all rights set forth in this Note and any other rights that it may have been afforded under any contract or agreement, and any other rights that Lender may have pursuant to applicable law.

4. Transfer of LLC Interests; Assignment of Note.

(a) Borrower agrees that it may not, during the period in which there is any principal amount outstanding under this Note, directly or indirectly, sell, pledge, or otherwise transfer any of its LLC Interests except as permitted under the LLC Agreement.

(b) In the event of a transfer of LLC Interests permitted by the LLC Agreement under Section 12.2 of the LLC Agreement (Estate Planning Transfers; Transfers Upon Death"), Borrower agrees that it will take all action necessary to cause the transferee to accept and assume all obligations as a Borrower under this Note.

5. Amendment and Waiver. Except as otherwise provided herein, the provisions of this Note may be amended and Borrower may take any action herein prohibited, or omit to perform any act herein required to be performed by him, only if Borrower has obtained the written consent of Lender.

6. Manner of Payment. Except as otherwise provided herein, any payment to be made hereunder shall be made at the direction of Lender by check or draft payable to or upon the order of Lender or by wire transfer of immediately available federal funds to an account designated by Lender. If any payment of principal on this Note shall become due on Saturday, Sunday or a day on which the commercial banks in New York, New York or Denver, Colorado are not open for business, such payment shall be made on the next succeeding business day. Payments of principal shall be delivered to Lender at the address indicated above or to such other address or to the attention of such

other person as specified by prior written notice to Borrower.

7. Waiver of Notice. To the extent permitted by law, Borrower hereby waives demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.

8. Attorneys' Fees and Costs. Borrower shall pay reasonable attorneys' fees and all other reasonable costs and expenses incurred in the enforcement of this Note, the collection of amounts due hereunder and the exercise of Lender's rights and remedies under this Note, whether such enforcement, collection or exercise is by court action or otherwise.

9. Governing Law, Waiver, Etc. This Note shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Delaware. No renewal or extension of this Note, no release or surrender of any security for this Note, no release of any person liable hereon, no delay in the enforcement hereof, and no delay or omission in exercising any right or power here under, shall affect the liability of Borrower. No delay or omission by Lender in exercising any power or right hereunder shall impair such right or power or be construed to be a waiver of any default, nor shall any single or partial exercise of any power or right hereunder preclude any or full exercise thereof or the exercise of any other right or power. Each legal holder hereof shall have and may exercise all the rights and powers given to Lender herein.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, Borrower has executed and delivered this Note as of the date first written above.

BORROWER

SYNERGEX GROUP LLC, TRUSTEE OF THE MUNERA FAMILY ESBT

By: _____
Name: Gerard Munera
Title: Manager

Exhibit 10.6

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made and entered into as of December 23, 2021 (the "Effective Date"), between Arcadia Products, LLC, a Colorado limited liability company (the "Company"), and DMC Global Inc., a Delaware corporation (the "Service Provider").

WHEREAS, the Company and the Service Provider wish to enter into this Agreement in order to govern the terms and conditions of the provision of certain management services as described herein.

NOW, THEREFORE, in consideration of the services to be rendered by the Service Provider hereunder, and to evidence the obligations of the Company to the Service Provider and the mutual covenants herein contained, the Company and the Service Provider hereby agree as follows:

1. Retention. The Company hereby retains the Service Provider to provide, and the Service Provider hereby agrees to provide the Company with, general administrative and management services, including services relating to oversight of strategy, accounting, legal, compliance, information technology and other matters as may be mutually agreed by the Company and the Service Provider (the "Services") during the term of this Agreement. The Service Provider may contract with individuals or other entities to provide any such Services; provided that contracting with individuals or other entities to provide any such Services shall not relieve the Service Provider of its obligations hereunder. For the avoidance of doubt, the Service Provider, and not the Company, shall (i) be the employer of or contracting party with, as appropriate, any individuals or other entities providing the Services, (ii) control and direct the actions of such individuals or other entities, and (iii) make all hiring, retention, dismissal, compensation, and other similar decisions related to such individuals or other entities.

2. Term. This Agreement shall be effective as of the Effective Date and shall continue until December 31, 2024 (the "Initial Term"). Upon the end of the Initial Term, and on each anniversary thereof, the term of this Agreement shall automatically be extended for one additional year from such date unless notice to the contrary is given by either party at least thirty (30), but no more than sixty (60), calendar days prior to the end of such term.

3. Compensation. As compensation for the Service Provider's provision of the Services, the Company shall pay to the Service Provider an annual fee equal to 0.50% of the Company's annual revenue as set forth in its annual financial statements prepared in accordance with U.S. GAAP ("Annual Revenue") up to Annual Revenue of $500 million and 0.30% of Annual Revenue in excess of $500 million. Each year, the Company shall make payments based on an estimation of Annual Revenue for such year within 30 days following the end of the first, second and third fiscal quarters and a final payment promptly following the completion of the Company's financial statements for such year, but in no event more than 60 days following the end of the Company's fiscal year. Upon termination of this Agreement, the amount of the annual fee for the year in which termination occurred shall be pro rated based on the portion of the year during which Services were provided.

4. Reimbursement of Expenses. The Company shall pay directly or reimburse the Service Provider, promptly following demand therefor, together with written invoices or reasonably detailed descriptions thereof, for all direct or indirect out-of-pocket expenses incurred by the Service Provider in connection with the performance by it of the Services contemplated by Section 1 hereof; provided that such expenses shall not include the salary and benefits of employees engaged in providing the Services or office rent or expenses incurred in connection with providing the Services.

5. Independent Contractor. The Service Provider shall for all purposes be an independent contractor and not an agent or employee of the Company, and the Service Provider shall have no authority to act for, represent, bind or obligate the Company except as specifically provided herein. This Agreement shall not be construed for any purposes to create any joint venture or partnership among the parties hereto.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

7. Assignment. This Agreement and all provisions contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by either of the parties without the prior written consent of the other party.

8. Entire Agreement; Amendments. This Agreement contains the entire understanding of the parties with respect to its subject matter and supersedes any and all prior agreements, and neither it nor any part of it may in any way be altered, amended, extended, waived, discharged or terminated except by a written agreement signed by each of the parties hereto.

9. Waivers. Either party to this Agreement may, by written notice to the other party, waive any provision of this Agreement. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

10. Counterparts. This Agreement may be executed in two or more counterparts (including facsimile counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

SERVICE PROVIDER

DMC Global Inc.

By: /s/ Michael Kuta
Name: Michael Kuta
Title: Chief Financial Officer

COMPANY

Arcadia, Products, LLC

By: /s/ James Schladen
Name: James Schladen
Title: President

Signature Page To
Management Services Agreement

Exhibit 10.7

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement ("Agreement") is made between (i) Synergex Group LLC, Trustee of the Munera Family ESBT ("Contractor") and (ii) DMC Global Inc. (the "Company") effective as of December 23, 2021. Contractor and the Company are referred to collectively as the "Parties" and individually as a "Party."

WHEREAS, the Company desires to retain the services of Contractor as an independent contractor, and Contractor desires to perform certain consulting and related services for the Company as an independent contractor; and

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties hereby agree as follows:

1. Description of Services. Contractor agrees to provide services as may be requested by the Company from time to time, and as may be more fully described in the attached Exhibit A (the "Services").

2. Independent Contractor Status. Contractor and the Company understand and intend that Contractor shall perform the Services under this Agreement as an independent contractor and not as an employee of the Company or any of its subsidiaries. Contractor is not authorized to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, the Company or any of its subsidiaries or to bind the Company or any of its subsidiaries in any manner.

3. Term and Termination. This Agreement shall be effective as of the Effective Date and shall continue until December 31, 2024 (the "Initial Term"). Upon the end of the Initial Term, and on each anniversary thereof, the term of this Agreement shall automatically be extended for one additional year from such date unless notice to the contrary is given by either party at least thirty (30), but no more than sixty (60), calendar days prior to the end of such term.

4. Compensation.

(a) Fees. In consideration of Contractor providing the Services and performing the obligations hereunder, the Company shall pay Contractor as specified in Exhibit A.

(b) Payment. Payment of the fees shall be made by the Company to Contractor annually on each anniversary of the date of this Agreement. The Company may offset amounts due to the Company by Contractor, with notice to Contractor.

(c) Taxes. No income tax or payroll tax of any kind shall be withheld or paid by the Company on behalf of Contractor for any payment under this Agreement, except as may be required by law for payments to independent contractors. Contractor shall be responsible for all taxes and similar payments arising out of any activities contemplated by this Agreement, including without limitation, federal, state, and local income tax, social security tax (FICA), self employment taxes, unemployment insurance taxes, and all other taxes, fees, and withholdings.

(d) Benefits. Contractor is not an employee of the Company and, therefore, shall not be entitled to any benefits, coverages, or privileges, including, without limitation, social security, unemployment compensation insurance, workers' compensation insurance, medical benefits, or pension payments.

5. Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other Party at the following addresses:

The Company:

Attn: Michelle Shepston
DMC Global Inc.
11800 Ridge Parkway, Suite 300
Broomfield, CO 80021
Email: mshepston@dmcglobal.com

Contractor:

Attn: Gerard Munera
Synergex Group LLC, Trustee of the
Munera Family ESBT
[***]
[***]
Email: groupsynergex@gmail.com

6. Assignment; Subcontracting. Contractor shall not assign this Agreement or any of its rights hereunder, or delegate or subcontract any of its obligations hereunder, without the prior written consent of the Company. The Company may transfer or assign this Agreement and its rights hereunder without the consent of Contractor.

7. Entire Agreement. This Agreement, including the attached Exhibit A, contains the entire agreement between the Parties with respect to the matters contemplated herein. This Agreement supersedes and replaces any previous agreements, statements, and representations by or between the Parties. No promises or representations have been made by the Company or Contractor other than those contained in this Agreement concerning the subject matter contained herein.

8. Waiver and Modification. No waiver or modification of this Agreement or any covenant, condition, or limitation herein contained, shall be valid unless in writing and duly executed by Contractor and the Company. No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

9. Venue and Applicable Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of Colorado, without regard to its conflicts of law provisions. Venue and jurisdiction will be in the Colorado state or federal courts.

10. Severability. If any provision of this Agreement is held illegal, invalid, or unenforceable, such holding shall not affect any other provision hereof. In the event any provision is held illegal, invalid, or unenforceable, such provision shall be limited so as to give effect to the intent of the Parties to the fullest extent permitted by applicable law.

11. Survivorship. This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their executors, administrators, heirs, personal representatives, successors, and assigns.

12. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and electronic signatures shall be treated as originals.

13. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

14. Attorneys' Fees and Costs. In the event of a breach of this Agreement by Contractor, the Company shall be entitled to recover from Contractor the Company's reasonable attorneys' fees and costs incurred in enforcing the terms of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates below, effective as of the date first written above.

DMC GLOBAL INC.

By: /s/ Michael Kuta
Name: Michael Kuta
Title: Chief Financial Officer

SYNERGEX GROUP LLC, TRUSTEE OF THE MUNERA FAMILY ESBT

By: /s/ Gerard Munera
Name: Gerard Munera
Title: Manager

EXHIBIT A

Description of Services:

Contractor shall provide advice and input regarding business and product strategy, as requested by the Company from time to time.

Fixed or contract rate of pay:

The Company shall pay Contractor an annual fee of 840,375.

Contractor and the Company agree that this amount shall be reviewed annually and any agreed adjustments reflected on Exhibit A

Other:

Exhibit 99.1

FOR IMMEDIATE RELEASE:

CONTACT:
Geoff High
Vice President of Investor Relations
303-604-3924

DMC GLOBAL COMPLETES ACQUISITION OF 60% CONTROLLING INTEREST IN ARCADIA INC.

BROOMFIELD, Colo. – December 23, 2021 – DMC Global Inc. (Nasdaq: BOOM), a diversified holding company, today announced it has completed its acquisition of a 60% controlling interest in Arcadia Inc., a leading U.S. supplier of architectural building products. DMC announced last Friday it had entered into a definitive agreement to acquire the 60% interest for $282.5 million in cash and DMC stock, and expects to acquire the remaining 40% interest through a three year put and call option. The total implied transaction value is $469.6 million.

Details of the acquisition are available in the Transaction Announcement press release, Investor Presentation and Investor Conference Call, all of which are available on Investor page of DMC's website: www.dmcglobal.com/.

In addition, a Form 8-K regarding the transaction has been filed with the Securities and Exchange Commission and is locatedhere.

The acquisition of Arcadia aligns with DMC's strategy of building a diversified portfolio of industry-leading businesses that provide differentiated products and services to their markets.

About DMC Global
DMC Global operates a portfolio of innovative, asset-light businesses that provide differentiated products and services to their respective industries. The Company's strategy is to identify well-run businesses with strong management teams, and support them with long-term capital and strategic, financial, legal, technology and operating resources. DMC helps portfolio companies grow their core businesses, launch new initiatives, upgrade technologies and systems to support their long-term growth strategies, and make acquisitions that improve their competitive positions and expand their markets. The Company's current portfolio consists of Arcadia Inc., a leading supplier of architectural building products, DynaEnergetics, which serves the global energy industry, and NobelClad, which addresses the global industrial process and transportation sector. Based in Broomfield, Colorado, DMC trades on Nasdaq under the symbol "BOOM."

Cautionary Note Regarding Forward-Looking Statements
This release contains "forward-looking statements" within the meaning of applicable securities laws regarding events or conditions that may occur in the future, including the acquisition of the remaining 40% of Arcadia. Factors that could cause actual results to differ materially from any forward-looking statements include, but are not limited to, the risk that the acquisition of the remaining 40% of Arcadia will not be completed as planned and the risk that the acquisition will not have the expected benefits, including as a result of unanticipated liabilities, integration or performance issues and/or general economic conditions, and other factors described in the public filings made by DMC Global at www.sec.gov. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are based on the beliefs, expectations and opinions of management as of the date hereof and DMC Global disclaims any intent or obligation to update them or revise them to reflect any change in circumstances or in management's beliefs, expectations or opinions that occur in the future.