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): June 20, 2023

DRILLING TOOLS INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**001-41103**	**87-2488708**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

3701 Briarpark Drive
Suite 150
Houston, Texas 77042
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (832) 742-8500

ROC Energy Acquisition Corp.
16400 Dallas Parkway
Dallas, Texas 75248
(Former name or former address, if changed since last report)

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

☐ Written communication 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-commencements communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	DTI	The Nasdaq Stock Market LLC

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. ☐

INTRODUCTORY NOTE

Closing of the Business Combination

On June 20, 2023 (the "Closing Date"), Drilling Tools International Holdings, Inc., a Delaware corporation ("DTIH"), ROC Energy Acquisition Corp., a Delaware corporation ("ROC"), and ROC Merger Sub, Inc., a Delaware corporation and a directly, wholly owned subsidiary of ROC ("Merger Sub"), consummated the previously announced business combination pursuant to the Agreement and Plan of Merger, dated February 13, 2023, by and among DTIH, ROC and Merger Sub (the "Initial Merger Agreement"), as amended by the First Amendment to the Agreement and Plan of Merger, dated June 5, 2023 (the "Merger Agreement Amendment", and the Initial Merger Agreement as amended by the Merger Agreement Amendment, the "Merger Agreement"). Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into DTIH, with DTIH surviving the merger as a wholly owned subsidiary of ROC (the "Merger," and together with the other transactions contemplated by the Merger Agreement and the other agreements contemplated thereby, the "Business Combination"). In connection with the consummation of the Business Combination (the "Closing"), ROC changed its name to "Drilling Tools International Corporation" ("DTIC").

In connection with the Closing, and pursuant to the terms of the Merger Agreement: (i) each share of common stock of DTIH ("DTIH Common Stock") issued and outstanding immediately prior to the Closing was converted into the right to receive 0.2282 shares of common stock of DTIC ("DTIC Common Stock"), (ii) each share of preferred stock of DTIH ("DTIH Preferred Stock") issued and outstanding immediately prior to the Closing was converted into the right to receive (a) $0.54 per share of cash and (b) 0.3299 shares of DTIC Common Stock, (iii) each share of common stock of Merger Sub issued and outstanding immediately prior to the Closing was converted into one share of DTIH Common Stock, (iv) each share of DTIH Common Stock and DTIH Preferred Stock held in the treasury of DTIH immediately prior to the Closing was cancelled and no payment or distribution was made in respect thereof, (v) each outstanding unexercised option to purchase shares of DTIH Common Stock was converted into an option to acquire shares of DTIC Common Stock ("DTIC Options"), (vi) each share of common stock of ROC ("ROC Common Stock") issued and outstanding immediately prior to the Closing and not redeemed in connection with the Redemption (as defined below) remained outstanding and is now a share of DTIC Common Stock and (vii) each right to receive one-tenth of a share of DTIC Common Stock was exchanged for one-tenth of one share of DTIC Common Stock.

A description of the Initial Merger Agreement is included in the proxy statement/prospectus/consent solicitation statement as filed by ROC with the Securities and Exchange Commission ("SEC") on May 12, 2023, pursuant to and in accordance with Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act") (the "Proxy Statement"), in the section titled "Proposal No. 1 - The Business Combination Proposal - The Business Combination Agreement" beginning on page 106. The foregoing description of the Merger Agreement is a summary only and is qualified in its entirety by the full text of the Initial Merger Agreement, which is filed as Exhibit 2.1 hereto and is incorporated herein by reference, and the full text of the Merger Agreement Amendment, which is filed as Exhibit 2.2 hereto and is incorporated herein by reference.

Closing of the PIPE Financing and Conversion of Convertible Promissory Notes

In connection with the Business Combination, ROC entered into a Subscription Agreement with ROC Energy Holdings, LLC ("ROC Holdings") on March 30, 2023 (the "First ROC Holdings Subscription Agreement"), which was amended on the Closing Date (the "Amendment to the First ROC Holdings Subscription Agreement" and, the First ROC Holdings Subscription Agreement as amended thereby, the "Amended First ROC Holdings Subscription Agreement"). On the Closing Date, ROC and ROC Holdings entered into a second Subscription Agreement (the "Second ROC Holdings Subscription Agreement" and, together with the Amended First ROC Holdings Subscription Agreement, the "ROC Holdings Subscription Agreements"). In connection with the Closing and pursuant to the ROC Holdings Subscription Agreements, ROC issued and sold 2,560,396 shares of ROC Common Stock to ROC Holdings at a purchase price of $10.10 per share for an aggregate purchase price of $25,860,000 (the "PIPE Financing").

In connection with the Business Combination, ROC entered into a Subscription Agreement with FP SPAC 2, LLC ("FP SPAC 2"), an affiliate of ROC Holdings, on March 30, 2023 (the "FP SPAC 2 Subscription Agreement"), which was amended on the Closing Date (the "Amendment to the FP SPAC 2 Subscription Agreement" and, the FP SPAC 2 Subscription Agreement as amended thereby, the "Amended FP SPAC 2 Subscription Agreement"). Pursuant to the Amended FP SPAC 2 Subscription Agreement, FP SPAC 2 agreed to convert two promissory notes issued to it by ROC into 409,901 shares of ROC Common Stock (the "FP SPAC Note Conversion"). The aggregate principal amount of the two promissory notes was $4,140,000, with a purchase price of $10.10 per share.

The PIPE Financing and the FP SPAC Note Conversion were conducted in reliance on the exemption provided in Section 4(a)(2) of the Securities Act ("Section 4(a)(2)"). Pursuant to the ROC Holdings Subscription Agreements and the Amended FP SPAC 2

Subscription Agreement (collectively, the "Subscription Agreements"), ROC agreed that within thirty days after the Closing Date it would file with the SEC a registration statement to register, in accordance with the provisions of the Securities Act, the resale of the shares issued pursuant to the Subscription Agreements. The PIPE Financing and the FP SPAC Note Conversion were consummated substantially concurrently with the Closing. The proceeds from the PIPE Financing and the FP SPAC Note Conversion were used, in part, to pay fees and expenses incurred in connection with the Business Combination; the remainder of the proceeds were received by DTIC.

The foregoing description of the Subscription Agreements is a summary only and is qualified in its entirety by the full text of the form of Subscription Agreement, which is filed as Exhibit 10.1 hereto and is incorporated herein by reference, and the full text of the form of Amendment to the Subscription Agreement, which is filed as Exhibit 10.2 hereto and is incorporated herein by reference.

Exchange Agreements

On the Closing Date, in connection with the Closing, ROC, ROC Holdings, Merger Sub, DTIH and certain holders of DTIH Preferred Stock (the "Exchangors") entered into separate Exchange Agreements (the "Exchange Agreements"). Pursuant to the Exchange Agreements, DTIC issued to the Exchangors 2,042,181 shares of DTIC Common Stock (the "Exchange Shares"), in lieu of an aggregate of $10,804,618 that would have otherwise been payable to the Exchangors as consideration under the Merger Agreement. In support of the transactions contemplated by the Exchange Agreements, ROC Holdings forfeited 972,416 shares of ROC Common Stock without any consideration at the Closing. On the Closing Date, the Exchange Shares were issued to the Exchangors in reliance on the exemption provided in Section 4(a)(2).

The foregoing description of the Exchange Agreements is a summary only and is qualified in its entirety by the full text of the form of Exchange Agreement, which is filed as Exhibit 10.3 hereto and is incorporated herein by reference.

First Amendment to the Sponsor Support Agreement

On the Closing Date, in connection with the Closing, ROC, ROC Holdings and DTIH entered into the First Amendment to the Sponsor Support Agreement (the "First Amendment to the Sponsor Support Agreement"). The First Amendment to the Sponsor Support Agreement amends the Sponsor Support Agreement dated as of February 13, 2023, by and among ROC, ROC Holdings and DTIH. Pursuant to the First Amendment to the Sponsor Support Agreement, ROC Holdings agreed to forfeit, without any consideration, 1,775,084 shares of DTIC Common Stock, and ROC agreed to issue 1,775,084 shares of DTIC Common Stock to certain stockholders of DTIH. On the Closing Date, such shares were issued to the stockholders of DTIH pursuant to the Merger Agreement.

The foregoing description of the First Amendment to the Sponsor Support Agreement is a summary only and is qualified in its entirety by the full text of the First Amendment to the Sponsor Support Agreement, which is filed as Exhibit 10.4 hereto and is incorporated herein by reference.

Redemption, Ownership and Trading

Holders of an aggregate of 20,541,379 shares of common stock of ROC properly exercised their right to have their shares redeemed for a full pro rata portion of the trust account into which the proceeds of ROC's December 6, 2021 initial public offering were deposited (the "Trust Account"), calculated on the Closing Date, which was $10.53 per share, net of taxes paid with respect to interest (the "Redemption"). $217,628,635 in the aggregate was paid in connection with the Redemption. The remaining balance of the Trust Account immediately prior to the Closing of approximately $1,669,566 was released to DTIC on the Closing Date in connection with the Closing.

After giving effect to the Business Combination, the consummation of the PIPE Financing, the FP SPAC Note Conversion, the Exchange Agreements, the First Amendment to the Sponsor Support Agreement and the Redemption, there were 29,768,535 shares of DTIC Common Stock issued and outstanding as of the date of this Report. There were approximately 38 holders of record of such shares as of June 23, 2023.

As of the date of this Report, 2,361,730 shares of DTIC Common Stock were issuable upon the exercise of DTIC Options, 2,221,594 of which have an exercise price of $3.72 per share and 140,136 of which have an exercise price of $8.76 per share. All of such DTIC Options are fully vested and exercisable.

As of the date of this Report, no rights to acquire shares of DTIC Common Stock or securities convertible into shares of DTIC Common Stock were outstanding. Moreover, DTIC does not have any outstanding preferred stock.

DTIC used a portion of the net proceeds of the Business Combination to repay all amounts outstanding under its then-existing revolving credit facility.

DTIC Common Stock commenced trading on the Nasdaq Stock Market LLC ("Nasdaq") under the symbol "DTI" on June 21, 2023.

This Report incorporates by reference certain information from reports and other documents that were previously filed with the SEC, including certain information from the Proxy Statement. To the extent there is a conflict between the information contained in this Report and the information contained in such prior reports and documents and incorporated by reference herein, you should rely on the information in this Report.

Item 1.01 Entry into a Material Definitive Agreement.

Amended and Restated Revolving Credit, Term Loan and Security Agreement

On the Closing Date, in connection with the Closing, Drilling Tools International, Inc., an indirect wholly owned subsidiary of DTIC ("DTII"), and certain of its subsidiaries, as borrowers, and DTIC and certain of its subsidiaries, as guarantors, entered into an Amended and Restated Revolving Credit, Security and Guaranty Agreement (the "Amended and Restated Credit Facility Agreement") with PNC Bank, National Association, as lender and agent. The Amended and Restated Credit Facility Agreement provides for a revolving credit facility with a maximum revolving advance amount of $60.0 million. The proceeds under the Amended and Restated Credit Facility Agreement may be used to (i) pay fees and expenses related to the Amended and Restated Credit Facility Agreement and certain acquisitions and other investments and (ii) provide for general corporate purposes, including working capital requirements and capital expenditures. Interest on outstanding principal under the Amended and Restated Credit Facility Agreement is charged at rates equal to the sum of the applicable margin, plus a base rate calculated by reference to the Overnight Bank Funding Rate (as defined in the Amended and Restated Credit Facility Agreement) or the Secured Overnight Financing Rate. The Amended and Restated Credit Facility Agreement includes covenants that limit DTII and certain of its subsidiaries' ability to incur additional indebtedness; make investments or loans; create liens; consummate mergers and similar fundamental changes; and declare and pay dividends and distributions. DTIC is subject to a passive holding company covenant which generally restricts DTIC's activities to holding the equity securities of its subsidiaries and those activities necessary to maintain its corporate existence. DTIC is required to maintain Liquidity (as defined in the Amended and Restated Credit Facility Agreement) of at least $6.0 million at all times. Certain other financial ratios are tested during a Cash Dominion Period (as defined in the Amended and Restated Credit Facility Agreement). DTIC and its subsidiaries that are or become party to the Amended and Restated Credit Facility Agreement as borrowers or guarantors are jointly and severally liable for the obligations thereunder.

The foregoing description of the Amended and Restated Credit Facility Agreement is a summary only and is qualified in its entirety by the full text of the Amended and Restated Credit Facility Agreement, which is filed as Exhibit 10.5 hereto and is incorporated herein by reference.

Lock-up Agreements

On the Closing Date, in connection with the Closing, DTIC entered into Company Stockholder Lock-up Agreements with each of HHEP-Directional, L.P., RobJon Holdings, L.P. ("RobJon") and Michael W. Domino, Jr. (the "Stockholder Parties" and the "Lock-up Agreements"). Under the terms of the Lock-up Agreements, the Stockholder Parties agreed, subject to certain customary exceptions, that during the period that is the earlier of (i) the date that is 180 days following the Closing Date and (ii) the date specified in a written waiver of the provisions of the Lock-up Agreements duly executed by ROC Holdings and DTIC, not to dispose of, directly or indirectly, any shares of DTIC Common Stock subject to their respective Lock-up Agreement, or take other related actions with respect to such shares. The shares of DTIC Common Stock subject to the Lock-up Agreements include all shares held by the Stockholder Parties, except for shares of DTIC Common Stock issued pursuant to the Exchange Agreements.

Other than R. Wayne Prejean, who is the President, Manager and sole owner of RobJon's general partner, and Mr. Domino, no directors, officers or employees of DTIC are party to any lock-up agreement with respect to DTIC Common Stock.

A description of the Lock-up Agreements is included in the Proxy Statement in the section titled "Proposal No. 1 - The Business Combination Proposal - Related Documents - Lock-up Agreement and Arrangements" beginning on page 114. The foregoing

description of the Lock-up Agreements is a summary only and is qualified in its entirety by the full text of the form of Lock-up Agreement, which is filed as Exhibit 10.6 hereto and is incorporated herein by reference.

Indemnification Agreements

On the Closing Date, in connection with the Closing, DTIC entered into an Indemnification Agreement with each member of DTIC's Board of Directors (the "Board" and such agreements collectively, the "Indemnification Agreements"). The Indemnification Agreements require DTIC to indemnify the members of the Board for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director in any action or proceeding arising out of their services to DTIC or any other company or enterprise to which the person provides services at DTIC's request.

The foregoing description of the Indemnification Agreements is a summary only and is qualified in its entirety by the full text of the form of Indemnification Agreement, which is filed as Exhibit 10.7 hereto and is incorporated herein by reference.

Exchange Agreements

The disclosure relating to the Exchange Agreements set forth in the "Introductory Note" above is incorporated by reference into this Item 1.01.

First Amendment to the Sponsor Support Agreement

The disclosure relating to the First Amendment to the Sponsor Support Agreement set forth in the "Introductory Note" above is incorporated by reference into this Item 1.01.

Amendment to the First ROC Holdings Subscription Agreement, Second ROC Holdings Subscription Agreement and Amendment to the FP SPAC 2 Subscription Agreement

The disclosure relating to the Amendment to the First ROC Holdings Subscription Agreement, the Second ROC Holdings Subscription Agreement and the Amendment to the FP SPAC 2 Subscription Agreement set forth in the "Introductory Note" above is incorporated by reference into this Item 1.01.

Amended and Restated Registration Rights Agreement

On February 13, 2023, ROC, ROC Holdings, EarlyBird Capital, Inc., HHEP-Directional, L.P., RobJon and Michael W. Domino, Jr. entered into the Amended and Restated Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, ROC agreed to use commercially reasonable efforts to file a registration statement under the Securities Act to permit the resale of shares of DTIC Common Stock held by the other parties to the Registration Rights Agreement within 30 days of the Closing Date and to use commercially reasonable efforts to cause such registration statement to be declared effective as soon as practicable after the filing thereof. The Registration Rights Agreement became effective on the Closing Date.

A description of the Registration Rights Agreement is included in the Proxy Statement in the section titled "Proposal No. 1 - The Business Combination Proposal - Related Documents - Amended and Restated Registration Rights Agreement" beginning on page 114. The foregoing description of the Registration Rights Agreement is a summary only and is qualified in its entirety by the full text of the Registration Rights Agreement, which is filed as Exhibit 10.8 hereto and is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "Introductory Note" above is incorporated by reference into this Item 2.01.

On June 1, 2023, ROC held a special meeting of stockholders (the "Special Meeting") at which ROC stockholders considered and voted in favor of, among other matters, a proposal to approve and adopt the Initial Merger Agreement and approve the Business Combination.

On the Closing Date, the parties to the Merger Agreement consummated the Business Combination.

FORM 10

Item 2.01(f) of Form 8-K provides that if the registrant was a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as DTIC was immediately before the Business Combination, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. As a result of the consummation of the Business Combination, and as discussed below in Item 5.06 of this Report, DTIC has ceased to be a shell company. Accordingly, DTIC is providing the information below that would be included in a Form 10 if DTIC were to file a Form 10. The information provided below relates to the combined company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements.

This Report and documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. DTIC has based these forward-looking statements on its current

expectations and projections about future events. All statements, other than statements of present or historical fact included in this Report and documents incorporated by reference herein, regarding the benefits of the Business Combination, DTIC's future financial performance following the Business Combination and DTIC's strategy, expansion plans, future operations, future operating results, estimated revenues, losses, projected costs, prospects, plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "intend," "believe," "estimate," "continue," "project" or the negative of such terms or other similar expressions. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about DTIC that may cause its actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Except as otherwise required by applicable law, DTIC disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Report. DTIC cautions you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of DTIC.

The projections included in the Proxy Statement (the "Projections") have not been audited. None of the independent auditors of ROC or DTIH, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the Projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Projections. In addition, DTIC cautions you that the forward-looking statements regarding DTIC which are contained in this Report and documents incorporated by reference herein, are subject to the following factors:

- the outcome of any legal proceedings that may be instituted against DTIC or its subsidiaries, its affiliates or its directors and officers;
- the risk that the Business Combination disrupts current plans and operations of DTIC or its subsidiaries;
- DTIC's ability to realize the anticipated benefits of the Business Combination, which may be affected by, among other things, the ability of DTIC to grow and manage growth profitably following the Business Combination;
- risks relating to the uncertainty of the projected financial information with respect to DTIC and its subsidiaries;
- costs related to the Business Combination;
- DTIC's success in retaining or recruiting, or changes required in, its officers, key employees or directors following the Business Combination;
- changes in applicable laws or regulations;
- the ability of DTIC to execute its business model; and
- the possibility that DTIC or its subsidiaries may be adversely affected by other economic, business or competitive factors.

Should one or more of the risks or uncertainties described in this Report or the documents incorporated by reference herein materialize, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. Additional information concerning these and other factors that may impact the operations and projections discussed herein can be found under the heading "Risk Factors" below.

Business.

The business of DTIC is described in the Proxy Statement in the section entitled "Information About DTI" beginning on page 189 and that information is incorporated herein by reference.

Risk Factors.

The risks associated with DTIC's business are described in the Proxy Statement in the section entitled "Risk Factors" beginning on page 44 and that information is incorporated herein by reference. A summary of the risks associated with DTIC's business is included in the Proxy Statement in the section entitled "Summary of the Proxy Statement/Prospectus/Consent Solicitation Statement - Risk Factor Summary" beginning on page 35 and that information is incorporated herein by reference.

Financial Information.

The audited financial statements of DTIH and its subsidiaries as of December 31, 2022 and 2021 and for each of the two years in the period ended December 31, 2022 (the "DTIH Audited Financials") are set forth in the Proxy Statement beginning on page F-3 and are incorporated herein by reference. The unaudited financial statements of DTIH and its subsidiaries as of March 31, 2023 and for the three months ended March 31, 2023 and 2022 are set forth in Exhibit 99.1 hereto and are incorporated by reference herein.

The unaudited pro forma condensed combined financial information as of and for the year ended December 31, 2022 is set forth in the Proxy Statement beginning on page 85 and is incorporated herein by reference. The unaudited pro forma condensed combined financial information as of and for the three months ended March 31, 2023 is set forth in Exhibit 99.2 hereto and is incorporated by reference herein.

Management's discussion and analysis of financial condition and results of operations and quantitative and qualitative disclosures about market risk with respect to the years ended December 31, 2022 and 2021 are set forth in the Proxy Statement in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations of DTI" beginning on page 172 and are incorporated herein by reference. Management's discussion and analysis of financial condition and results of operations and quantitative and qualitative disclosures about market risk with respect to the three months ended March 31, 2023 are set forth below:

Management's Discussion and Analysis of Financial Condition and Results of Operations

In this section, unless otherwise specified, the terms "we," "our," "us" and "DTI" refer to Drilling Tools International Holdings, Inc. and its consolidated subsidiaries.

You should read the following discussion and analysis of our financial condition and results of operations with our unaudited consolidated financial statements for the three months ended March 31, 2023 and 2022 (the "Interim Financial Statements"), together with the related notes thereto, included elsewhere in this Report. The discussion and the analysis should also be read together with the information set forth in the section entitled "Information about DTI" beginning on page 189 of the Proxy Statement. The following discussion contains forward-looking statements based upon current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the sections titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" or in other parts of this Report. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. All dollar amounts are expressed in thousands of United States dollars ("$"), unless otherwise indicated.

Capitalized terms used in this section, but not otherwise defined, have the meanings ascribed to them in the Proxy Statement.

Overview

We are a leading oilfield services company ("OSC"), based on the percentage of active rigs to which we supply tools in the geographies in which we are active, that rents downhole drilling tools used in horizontal and directional drilling of oil and natural gas. We operate from 18 locations in North America and four international locations in Europe and the Middle East, and maintain a large fleet of rental equipment consisting of drill collars, stabilizers, crossover subs, wellbore conditioning tools, drill pipe, hevi-wate drill pipe and tubing. We also rent surface control equipment such as blowout preventers and handling tools and provide downhole products for producing wells.

Our business model primarily centers on revenue generated from tool rentals and product sales. During the three months ended March 31, 2023 and 2022, we generated revenue from tool rentals and product sales of $40.8 million and $26.0 million, respectively. We have incurred significant operating losses since inception. As of March 31, 2023, we had an accumulated deficit of $15.4 million. For the three months ended March 31, 2023 and 2022, we had net income of $5.7 million and $1.3 million, respectively.

We believe our future financial performance will be driven by continued investment in oil and gas drilling following years of industry underinvestment.

Market Factors

Demand for our services and products depends primarily upon the general level of activity in the oil and gas industry, including the number of active drilling rigs, the number of wells drilled, the depth and working pressure of these wells, the number of well

completions, the level of well remediation activity, the volume of production and the corresponding capital spending by oil and natural gas companies. Oil and gas activity is in turn heavily influenced by, among other factors, investor sentiment, availability of capital and oil and gas prices locally and worldwide, which have historically been volatile.

Our tool rental revenues are primarily dependent on drilling activity and our ability to gain or maintain market share with a sustainable pricing model.

Our product sales revenues are primarily dependent on oil and gas companies paying for tools that are lost or damaged in their drilling programs as well as the drilling contractors' need to replace aging or consumable products and our ability to provide competitive pricing.

All of these factors may be influenced by the oil and gas region in which our customers are operating. While these factors may lead to differing revenues, we have generally been able to forecast our product needs and anticipated revenue levels based on historic trends in a given region and with a specific customer.

Recent Developments and Trends

Industry Update

In 2020 and early 2021, demand for oil significantly declined as a result of the COVID-19 pandemic and other factors. Oil prices have since increased due in part to an increase in demand and measured production increases by OPEC+ members. However, prices remained volatile through 2022. In the first half of 2022, West Texas Intermediate ("WTI") oil prices and volatility thereof increased dramatically, in large part due to Russia's invasion of Ukraine. Russia has since been subject to a host of sanctions, some of which limit its ability to export crude oil and other petroleum products. The anticipated impact on supply drove WTI oil prices above $123 per barrel in early March 2022.

By the end of December 2022, WTI oil prices declined to approximately $80 per barrel due in part to high inflation rates and fears of a global recession that could negatively impact oil demand. WTI oil prices declined further during the first quarter of 2023, reaching a low of $67 per barrel in the middle of March, following turmoil in the banking sector, which escalated fears of a global recession and a concomitant decline in oil demand. However, in April 2023, WTI oil prices returned to the low-$80s per barrel range, due in part to OPEC+'s decision to further cut production by approximately 1.2 million barrels per day. This production cut was effective as of May 2023 and is expected to continue through the end of the year.

Despite the high volatility in spot oil prices described above, our customers tend to be more focused on medium-term and long-term commodity prices when making investment decisions due to the longer lead times for offshore projects. These forward prices experienced far less volatility in 2022 and the early part of 2023 and have maintained levels which are highly constructive for offshore project demand.

Prices for natural gas have declined throughout the first quarter of 2023 in the United States due to several factors including a decrease in demand for heating due to a warmer winter, ample natural gas supply, and turmoil in the banking sector that has weighed on commodities. Henry Hub natural gas spot prices have decreased from an average of $5.53 per one million British Thermal Units ("MMBtu") for December 2022 to an average of $2.31 per MMBtu for March 2023.

The ongoing conflict in Ukraine has had repercussions globally and in the United States by continuing to cause uncertainty, not only in the oil and natural gas markets, but also in the financial markets. Such uncertainty already has and could continue to result in stock price volatility and supply chain disruptions as well as higher oil and natural gas prices which could result in higher inflation worldwide, impact consumer spending and negatively impact demand for our goods and services. Moreover, additional interest rate increases by the U.S. Federal Reserve to combat inflation could further increase the probability of a recession.

Notwithstanding the significant commodity price volatility over the past several years, we have seen increases in United States onshore drilling activity. During the three months ended March 31, 2023, the weekly average U.S. onshore rig count as reported by Baker Hughes was 760 rigs compared to 776 rigs for the three months ended December 31, 2022 and 636 rigs for the three months ended March 31, 2022. Current rig activity remains significantly reduced from 2019 levels when the weekly average rig count for the three months ended March 31, 2019 was 1,043. However, notwithstanding the impact of longer laterals, improved rig efficiencies have partially offset the impact of this reduction.

Inflation and Increased Costs

We are experiencing the impacts of global inflation, both in increased personnel costs and the prices of goods and services required to operate our rigs and execute capital projects. While we are currently unable to estimate the ultimate impact of rising prices, we do expect that our costs will continue to rise in the near term and will impact our profitability. To date, we do not believe that inflation has had a material impact to our financial condition or results of operations because we have been able to increase the prices we receive from our customers.

How We Evaluate Our Operations

We use a number of financial and operational measures to routinely analyze and evaluate the performance of our business, including revenue, net and non-GAAP measures Adjusted EBITDA and Free Cash Flow.

Revenue, net

We analyze our performance by comparing actual monthly revenue to revenue trends and revenue forecasts by product line as well as tool activity trends for each month. Our revenue is primarily derived from tool rental and product sales.

Adjusted EBITDA

We regularly evaluate our financial performance using Adjusted EBITDA. Our management believes Adjusted EBITDA is a useful financial performance measure as it excludes non-cash charges and other transactions not related to our core operating activities and allows more meaningful analysis of the trends and performance of our core operations.

Free Cash Flow

We define Free Cash Flow as net cash (used in) provided by operating activities, reduced by purchases of property, plant and equipment. Free Cash Flow is a supplemental non-GAAP financial measure that is used by our management and other external users of our financial statements, such as industry analysts, investors, lenders, rating agencies and others to assess our ability to internally fund our capital program, service or incur additional debt and to pay dividends. We believe Free Cash Flow is a useful liquidity measure because it allows us and others to compare cash flow provided by operating activities across periods and to assess our ability to internally fund our capital program, reduce leverage, fund acquisitions and pay dividends to our stockholders where applicable.

Please refer to the section titled “Non-GAAP Financial Measures” below for a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial performance measure calculated and presented in accordance with GAAP, and a reconciliation of Free Cash Flow to net cash (used in) provided by operating activities, the most directly comparable liquidity measure calculated and presented in accordance with GAAP.

Key Components of Results of Operations

The discussion below relating to significant line items from our consolidated statements of operations and comprehensive income are based on available information and represent our analysis of significant changes or events that impact the comparability of the reported amount. Where appropriate, we have identified specific events and changes that affect comparability or trends and, where reasonably practicable, we have quantified the impact of such items.

Revenue, net

We currently generate our revenue, net from tool rental services and product sales. Tool rental services, which consists of rental services, inspection services, and repair services, is accounted for under Topic 842. We recognize revenues from renting tools on a straight-line basis. Our rental contract periods are daily, monthly, per well, or based on footage. As part of this straight-line methodology, when the equipment is returned, we recognize as incremental revenue the excess, if any, of the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the drilling tool was rented, over the cumulative amount of revenue recognized to date.

The rental tool recovery component of product sales revenue is recognized when a tool is deemed to be lost-in-hole, damaged-beyond-repair, or lost-in-transit while in the care, custody, or control of the customer. Other made to order product sales revenue is recognized when the product is made available to the customer for pickup at our shipping dock.

We expect our tool rental services revenue to increase due to an expected an increase in drilling activity and customer pricing.

We expect our product sales revenue to increase because we expect oil and gas companies to continue to drill faster and harder. thereby pushing the limits of downhole drilling tools and often contributing to tools being lost-in-hole or damaged-beyond-repair. In addition, product sales revenue should increase as drilling contractors replace aged and consumable products to maintain or increase capacity.

Costs and Expenses

Our costs and expenses consist of cost of revenue, selling, general, administrative expense, and depreciation and amortization expense.

Cost of Revenue

Our cost of revenue consists primarily of all direct and indirect expenses related to providing our tool rental services offering and delivering our product sales, including personnel-related expenses and costs associated with maintaining the facilities.

We expect our total cost of tool rental revenue and our total cost of product sale revenue to increase in absolute dollars in future periods, corresponding to our anticipated growth in revenue and employee headcount. This increase in headcount is intended to support our customers and maintain the manufacturing, operations and field service team with some expected cost inflation.

We expect that gross margins will continue to improve slightly as we leverage our existing cost structure to support an increase in our business activity. In addition, we expect that customer price increases will help offset cost inflation.

Selling, General and Administrative

General and administrative expenses consist primarily of personnel-related expenses, including salaries, benefits and stock-based compensation for personnel, and outside professional services expenses including legal, audit and accounting services, insurance, other administrative expenses and allocated facility costs for our administrative functions.

We expect our operating expenses to increase in absolute dollars for the foreseeable future as a result of operating as a public company. In particular, we expect our legal, accounting, tax, personnel-related expenses and directors' and officers' insurance costs reported within general and administrative expense to increase as we establish more comprehensive compliance and governance functions, increase security and IT compliance functions, review internal controls over financial reporting in accordance with the Sarbanes-Oxley Act and prepare and distribute periodic reports as required by the rules and regulations of the SEC. As a result, our historical results of operations may not be indicative of our results of operations in future periods.

Selling expenses consist primarily of personnel-related expenses, including salaries, benefits and stock-based compensation for personnel, direct advertising, marketing and promotional material costs, sales commission expense, consulting fees and allocated facility costs for our sales and marketing functions.

We intend to increase investments in our sales and marketing organization to increase revenue, expand our global customer base, and broaden our brand awareness. We expect our sales and marketing expenses to continue to increase in absolute dollars for the foreseeable future.

Depreciation and amortization expense

Depreciation and amortization expense relates to the consumption of our property and equipment, which consists of rental tools, shop equipment, computer equipment, furniture and fixtures and leasehold improvements, and the amortization of our intangible assets mainly related to customer relationships, software and partnerships.

Other (expense) income, net

Our other (expense) income, net is primarily comprised of interest income (expense), gain on sale of property, unrealized gain (loss) on securities, and other miscellaneous income and expense unrelated to our core operations.

Results of Operations

The following table sets forth our results of operations for the periods presented (in thousands):

	Three Months Ended March 31,	
	2023	2022
Revenue, net:		
Tool rental	$ 32,276	$ 20,417
Product sale	8,523	5,560
Total revenue, net	40,799	25,977
Cost and expenses:		
Cost of tool rental revenue	8,137	6,315
Cost of product sale revenue	1,303	1,151
Selling, general, administrative expense	18,423	12,235
Depreciation and amortization expense	5,015	5,076
Total costs and expenses	32,878	24,777
Operating income (loss)	7,921	1,200
Other (expense) income:		
Interest income (expense)	(573)	216
Gain on sale of property	69	5
Unrealized gain (loss) on equity securities	(33)	410
Other income (expense)	40	(69)
Total other (expense) income, net	(497)	562
Income before income taxes	7,424	1,762
Income tax (expense) benefit	(1,723)	(429)
Net income	$ 5,701	$ 1,333

Comparison of the Three Months Ended March 31, 2023 and 2022

Revenue, net

Our revenue, net consists of tool rental and product sale revenues.

	Three Months Ended March 31,		Change	
(In thousands)	2023	2022	Amount	%
Tool rental	$ 32,276	$ 20,417	$11,859	58%
Product sale	$ 8,523	$ 5,560	$ 2,963	53%

Tool rental revenue increased $11.9 million, or 58%, to $32.3 million for the three months ended March 31, 2023 as compared to $20.4 million for the three months ended March 31, 2022. The increase was primarily driven by increased market activity and customer pricing across all divisions, especially in relation to our Directional Tool Rentals (“DTR”) division, the revenue of which increased $6.7 million, and our Premium Tools (“PTD”) division, the revenue of which increased $5.1 million.

Product sale revenue increased $3.0 million, or 53%, to $8.5 million for the three months ended March 31, 2023 as compared to $5.5 million for the three months ended March 31, 2022. The increase was primarily driven by increased market activity and customer pricing across all divisions. The increased market activity and customer pricing also impacted our rental tool recovery sales revenue, which collectively increased $2.5 million.

Costs and Expenses

Cost of revenue

Our cost of revenue consists of cost of tool rental revenue and cost of product sale revenue.

	Three Months Ended March 31,		Change	
(In thousands)	2023	2022	Amount	%
Cost of tool rental revenue	$ 8,137	$ 6,315	$1,822	29%
Cost of product sale revenue	$ 1,303	$ 1,151	$ 152	13%

Cost of tool rental revenue increased $1.8 million, or 29%, to $8.1 million for the three months ended March 31, 2023 as compared to $6.3 million for the three months ended March 31, 2022. The increase in cost of tool rental revenue was primarily driven by increased directional tool rental activity year-over-year. The primary increases were for our DTR division, the cost of tool rental revenue of which increased $0.7 million, our PTD division, the cost of tool rental revenue of which increased $0.5 million, and our Wellbore Optimization Tools ("WOT") division, the cost of tool rental revenue which increased by $0.4 million.

Cost of product sale revenue increased $0.2 million, or 13%, to $1.3 million for the three months ended March 31, 2023 as compared to $1.1 million for the three months ended March 31, 2022. The increase in cost of product sale revenue was primarily driven by an increase in product sales year-over-year.

Selling, General, Administrative expense

	Three Months Ended March 31,		Change	
(In thousands)	2023	2022	Amount	%
Selling, general, administrative expense	$ 18,423	$ 12,235	$6,188	51%

Selling, general, and administrative expense increased $6.2 million, or 51%, to $18.4 million for the three months ended March 31, 2023 as compared to $12.2 million for the three months ended March 31, 2022. This increase was primarily driven by a:

- $2.9 million increase in personnel-related expenses,
- $2.0 million increase in accounting, legal, and professional services for due diligence matters in preparation for a potential transaction, and
- $0.3 million increase in bad debt expenses.

No other driver of this increase was individually significant.

Depreciation and Amortization expense

	Three Months Ended March 31,		Change	
(In thousands)	2023	2022	Amount	%
Depreciation and amortization expense	$ 5,015	$ 5,076	$ (61)	(1)%

Depreciation and amortization expense decreased $0.1 million, or 1%, to $5.0 million for the three months ended March 31, 2023 as compared to $5.1 million for the three months ended March 31, 2022. The decrease was primarily due a decrease in depreciation expense resulting from assets reaching the end of their depreciable lives and a decrease in amortization expense as certain intangible assets reached the end of their useful lives.

Other (expense) income

Interest Income (Expense)

(In thousands)	Three Months Ended March 31, 2023	2022	Change Amount	%
Interest income (expense)	$ (573)	$ 216	$ (789)	(365)%

Interest expense for the three months ended March 31, 2023 was $0.6 million, a decrease of $0.8 million, or 365%, compared to the three months ended March 31, 2022 primarily due to the change in unrealized losses on the interest rate swap.

Gain on Sale of Property

(In thousands)	Three Months Ended March 31, 2023	2022	Change Amount	%
Gain on sale of property	$ 69	$ 5	$ 64	1,280%

Gain on the sale of property increased $64 thousand, or 1,280%, to $69 thousand for the three months ended March 31, 2023 as compared to $5 thousand for the three months ended March 31, 2022. The increase was driven by an increase in the selling price of the property sold compared to its net book value.

Unrealized Gain (Loss) on Equity Securities

(In thousands)	Three Months Ended March 31, 2023	2022	Change Amount	%
Unrealized gain (loss) on equity securities	$ (33)	$ 410	$ (443)	(108)%

Unrealized loss on equity securities for the three months ended March 31, 2023 was $33 thousand, a decrease of $0.4 million, or 108%, compared to the three months ended March 31, 2022 primarily due to unfavorable market conditions in 2023 as compared to 2022.

Other Income (Expense)

(In thousands)	Three Months Ended March 31, 2023	2022	Change Amount	%
Other income (expense)	$ 40	$ (69)	$ 109	(158)%

Other income for the three months ended March 31, 2023 was $40 thousand, an increase of $0.1 million, or 158%, compared to the three months ended March 31, 2022. The increase was primarily due to interest income on Employee Retention Credit payments received from the Internal Revenue Service in the first quarter of 2023 with no comparable activity in the first quarter of 2022.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use the non-GAAP financial measure Free Cash Flow, which is defined as net cash (used in) provided by operating activities, reduced by purchases of property, plant and equipment. We believe Free Cash Flow is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business and is a key financial indicator used by management. Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth.

We use the non-GAAP financial measure Adjusted EBITDA, which is defined as net income (loss), excluding interest income (expense), other income (expense), income tax benefit (expense), depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in Adjusted EBITDA.

These non-GAAP financial measures should not be considered in isolation from, or as substitutes for, financial information prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures compared to the closest comparable GAAP measure. Some of these limitations are that:

- Free Cash Flow does not reflect our future contractual commitments.
- Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets and amortization of acquired intangible assets and, although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future; and
- Adjusted EBITDA excludes income tax benefit (expense).

The following table presents a reconciliation of Free Cash Flow to net cash (used in) provided by operating activities for the three months ended March 31, 2023 and the three months ended March 31, 2022:

	Three Months Ended March 31,	
(In thousands)	**2023**	**2022**
Net cash (used in) provided by operating activities	$ 11,341	$ 2,010
Less:		
Purchases of property, plant and equipment	(10,815)	(3,566)
Free Cash Flow	$ 526	$ (1,556)

The following table presents a reconciliation of Adjusted EBITDA to net income (loss) for the three months ended March 31, 2023 and the three months ended March 31, 2022:

	Three Months Ended March 31,	
(In thousands)	**2023**	**2022**
Net income (loss)	$ 5,701	$ 1,333
Add (deduct):		
Income tax expense	1,723	429
Depreciation and amortization	5,015	5,076
Interest (income) expense	573	(216)
Monitoring fees	216	67
Gain on sale of property	(69)	(5)
Unrealized (gain) loss on equity securities	33	(410)
Transaction expense	1,694	—
Other (income) expense	(40)	69
Adjusted EBITDA	$ 14,846	$ 6,343

Liquidity and Capital Resources

At March 31, 2023 and December 31, 2022 we had $0.8 million and $2.4 million of cash and cash equivalents, respectively. Our primary sources of liquidity and capital resources are cash on hand, cash flows generated by operating activities and, if necessary, borrowings under our Amended and Restated Credit Facility Agreement. We may use additional cash generated to execute strategic acquisitions or for general corporate purposes. We believe that our existing cash on hand, cash generated from operations and available borrowings under our Amended and Restated Credit Facility Agreement will be sufficient for at least the next 12 months to meet working capital requirements and anticipated capital expenditures.

Amended and Restated Credit Facility Agreement

Reference is made to the disclosure set forth under the heading “Amended and Restated Revolving Credit, Security and Guaranty Agreement” under Item 1.01 of this Report, which is incorporated herein by reference.

Capital Expenditures

Our capital expenditures relate to capital additions or improvements that add to our rental or repair capacity or extend the useful life of our drilling tools and related infrastructure. Also, our capital expenditures relate to the replacement of tools that are lost or damaged by a customer, and such expenditures are funded by a rental tool recovery sale amount paid from the customer. We regularly incur capital expenditures on an on-going basis to (i) increase the size of or maintain our rental tool fleet and equipment, (ii) extend the useful life of our rental tools and equipment and (iii) acquire or upgrade computer hardware and software. The amount of our capital expenditures is influenced by, among other things, demand for our services, recovery of lost or damaged tools, schedules for refurbishing our various rental tools and equipment, cash flow generated by our operations, expected rates of return and cash required for other purposes.

Contractual Obligations and Commitments

Our material contractual obligations arise from leases of facilities and vehicles under non-cancellable operating leases agreements. See Note 13, *Commitments and contingencies*, of the notes to the Interim Financial Statements.

Tax Obligations

We currently have available federal net operating loss carryforwards to offset our federal taxable income, and we expect that these carryforwards will substantially reduce our cash tax payments over the next several years. If we forfeit these carryforwards for any reason or deplete them faster than anticipated, our cash tax obligations could increase substantially. For additional information, see Note 8, *Income Taxes*, of the notes to the Interim Financial Statements.

Cash Flows

The following table sets forth our cash flows for the period indicated:

(In thousands)	Three Months Ended March 31, 2023	2022
Net cash (used in) provided by:		
Operating activities	$ 11,341	$ 2,010
Investing activities	(5,420)	(710)
Financing activities	(7,453)	(2,537)
Effect of changes in foreign exchange rate	—	(75)
Net (decrease) increase in cash and cash equivalents	$ (1,532)	$ (1,312)

Cash Flows (Used In) Provided by Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2023 was $11.3 million resulting from our net income of $5.7 million, adjusted for non-cash charges of $4.8 million in depreciation and amortization, including amortization of right of use assets, deferred financing costs, and debt discounts, $3.8 million in net changes from operating assets and liabilities, and $1.1 million in deferred tax expense. This was partially offset by a $4.5 million gain on rental tool recovery sales and a $0.1 million gain on sale of property. The $3.8 million in cash provided by operating assets and liabilities is primarily due to a $6.0 million cash inflow in accounts payable and accrued expenses due to differences in the timing of disbursements during the first three months of 2023 compared to the first three months of 2022. This was partially offset by a $1.7 million cash outflow in accounts receivable associated with an increase in sales and higher revenues during the first three months of 2023 compared to the first three months of 2022, and a $1.4 million cash outflow resulting from an increase in purchased inventory related to our attempt to reduce risk and uncertainty in our supply chain. We will continue to evaluate our capital requirements for both short-term and long-term liquidity needs, which could be affected by various risks and uncertainties, including, but not limited to, the effects of the current inflationary environment, rising interest rates, and other risks detailed in the section of this Report entitled “Risk Factors.”

Net cash provided by operating activities for the three months ended March 31, 2022 was $2.0 million resulting from our net income of $1.3 million, adjusted for non-cash charges of $6.1 million in depreciation and amortization, including amortization of right of use assets, deferred financing costs, and debt discounts. This was partially offset by a $2.3 million gain on rental tool recovery sales, $2.2 million in net changes from operating assets and liabilities, and a $0.7 million unrealized gain on interest rate swaps. The $2.2 million in cash used from operating assets and liabilities is primarily due to a $1.3 million cash outflow in purchased inventory related to our attempt to reduce risk and uncertainties in our supply chain and a $0.9 million cash outflow from our operating leases.

Cash Flows (Used In) Provided by Investing Activities

Net cash used in investing activities for the three months ended March 31, 2023 was $5.4 million. Purchases of property, plant, and equipment of $10.8 million were offset by proceeds from rental tool recovery sales of $5.3 million and proceeds from sale of property of $0.1 million.

Net cash used in investing activities for the three months ended March 31, 2022 was $0.7 million. Purchases of property, plant, and equipment of $3.6 million were partially offset by proceeds from rental tool recovery sales of $2.9 million.

Cash Flows (Used In) Provided by Financing Activities

Net cash used in financing activities for the three months ended March 31, 2023 was $7.5 million resulting from a net decrease in amounts outstanding under the Credit Facility Agreement of $7.5 million.

Net cash used in financing activities for the three months ended March 31, 2022 was $2.5 million resulting from a net decrease in amounts outstanding under the Credit Facility Agreement of $2.5 million.

Quantitative and Qualitative Disclosures about Market Risk

Credit risk

Financial instruments which potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. We maintain cash and cash equivalents with major and reputable financial institutions. Deposits held with these financial institutions may exceed the amount of insurance provided by the Federal Deposit Insurance Corporation and Canadian Deposit Insurance Corporation on such deposits but may be redeemed upon demand. We perform periodic evaluations of the relative credit standing of these financial institutions. With respect to accounts receivable, we monitor the credit quality of our customers as well as maintain an allowance for doubtful accounts for estimated losses resulting from the inability of customers to make required payments.

Concentration risk

During the three months ended March 31, 2023, 28% of our total revenue was earned from two customers. Amounts due from these customers included in accounts receivable at March 31, 2023 were approximately $7.8 million. During the three months ended March 31, 2022, 25% of our total revenue was earned from two customers. Amounts due from these customers included in accounts receivable at December 31, 2022 were approximately $8.6 million.

Foreign currency risk

Our customers are primarily located in the United States and Canada. Therefore, foreign exchange risk exposures arise from transactions denominated in currencies other than the U.S. dollar, which is our functional and reporting currency. To date, a majority of our sales have been denominated in United States and Canadian dollars. As we expand our presence in international markets, our results of operations and cash flows may increasingly be subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. To date, we have not entered into any hedging arrangements to minimize the impact of these fluctuations in the exchange rates. We will periodically reassess our approach to manage our risk relating to fluctuations in currency rates.

We do not believe that foreign currency risk had a material effect on our business, financial condition, or results of operations during the periods presented.

Inflation Risk

We expect we will continue to experience inflationary pressures on our cost structure for the foreseeable future. However, tightness in overseas freight and transit times have eased. Nonetheless, we cannot be confident that transit times or input prices will return to the lower levels experienced in prior years. Continued inflation and looming concerns regarding a possible recession weigh on the outlook for oil demand which could in turn negatively impact demand for our goods and services.

Cybersecurity Risk

We have a suite of controls including technology hardware and software solutions, regular testing of the resiliency of our systems including penetration and disaster recovery testing as well as regular training sessions on cybersecurity risks and mitigation strategies. We have established an incident response plan and team to take steps it determines are appropriate to contain, mitigate and remediate a cybersecurity incident and to respond to the associated business, legal and reputational risks. There is no assurance that these efforts will fully mitigate cybersecurity risk and mitigation efforts do not ensure complete protections from malicious cybersecurity incidents.

Critical Accounting Policies and Estimates

The Interim Financial Statements included in this Report have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these Interim Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. We also make estimates and assumptions that affect the reported amounts and related disclosures for the periods presented. Our estimates are based on our historical experience and other factors that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly. Additionally, changes in assumptions, estimates or assessments due to unforeseen events or other causes could have a material impact on our financial position or results of operations.

The critical accounting estimates, assumptions and judgements we believe to have the most significant impact on the Interim Financial Statements are described below. See Note 1, *Summary of significant accounting policies*, to the Interim Financial Statements included elsewhere in this Report for additional information related to critical accounting estimates and significant accounting policies.

Revenue recognition

On January 1, 2019, we adopted ASC 606 on a modified retrospective basis for all contracts with customers. As a result of the adoption, there were no material changes to the timing of the revenue recognition or measurement of revenue. Therefore, the only changes to the Interim Financial Statements related to the adoption are in the disclosures as included herein. We adopted ASC 842, Leases ("ASC 842") as of January 1, 2022. ASC 842 was adopted using the modified retrospective transition approach, with no restatement of prior periods or cumulative adjustments to retained earnings.

We recognize revenue in accordance with two different accounting standards: 1) Topic 606 (which addresses revenue from contracts with customers) and 2) Topic 842 (which addresses lease revenue). We derive our revenue from two revenue types: tool rental services and product sales.

Tool Rental Services

Tool rental services consist of rental services, inspection services, and repair services. Tool rental services are accounted for under Topic 842.

Owned tool rentals represent our most significant revenue type and are governed by our standard rental contract. We account for such rentals as operating leases. The lease terms are included in the contracts, and the determination of whether our contracts contain leases generally does not require significant assumptions or judgements. Our lease revenues do not include a material amount of variable payments. Owned tool rentals represent revenue from renting tools that we own. We do not generally provide an option for the lessee to purchase the rented equipment at the end of the lease.

We recognize revenues from renting tools on a straight-line basis. Our rental contract periods are daily, monthly, per well, or based on footage. As part of this straight-line methodology, when the equipment is returned, we recognize as incremental revenue the excess, if any, of the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the drilling tool was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, we will have customers return the drilling tool and be contractually required to pay us more than the cumulative amount of revenue recognized to date under the straight-line methodology.

We record the amounts billed to customers in excess of recognizable revenue as deferred revenue on our consolidated balance sheet.

As noted above, we are unsure of when the customer will return rented drilling tools. As such, we do not know how much the customer will owe us upon return of the tool and we therefore cannot provide a maturity analysis of future lease payments. Our drilling tools are generally rented for short periods of time, oftentimes for significantly less than a year. Lessees do not provide residual value guarantees on rented equipment.

We expect to derive significant future benefits from our drilling tools following the end of the rental term. Our rentals are generally short-term in nature, and our tools are typically rented for the majority of the time that we own them.

Product Sales

Product sales consist of charges for rented tools that are damaged beyond repair, charges for lost-in-hole, and charges for lost-in-transit while in the care, custody or control of our customers, and other charges for made to order product sales. Product sales are accounted for under Topic 606.

Revenue is recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To determine revenue recognition for our arrangements with customers, we: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

We account for a contract when we have approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the revenue standard. The transaction price is measured as consideration specified in a contract with a customer and excludes any sales incentives and taxes or other amounts collected on behalf of third parties. As each of our contracts with customers contain a single performance obligation to provide a product sale, we do not have any performance obligations requiring allocation of transaction prices.

The performance obligation for made to order product sales is satisfied and revenue is recognized when control of the asset transfers to the customer, which typically occurs upon delivery of the product or when the product is made available to the customer for pickup at our shipping dock. Additionally, pursuant to the contractual terms with our customers, the customer must notify us of, and purchase from us, any rented tools that are damaged beyond repair, lost-in-hole, or lost-in-transit while in the care, custody or control of such customer. Revenue is recognized for these products when the customer notifies us that one of these noted events has occurred.

We do not have any material revenue expected to be recognized in the future related to remaining performance obligations or contracts with variable consideration related to undelivered performance obligations. There was no revenue recognized in the current period from performance obligations satisfied in previous periods.

Contract estimates and judgments

Our revenues accounted for under Topic 606 generally do not require significant estimates or judgments, primarily because:

- The transaction price is generally fixed and stated in our contracts;
- As noted above, our contracts generally do not include multiple performance obligations, and accordingly do not generally require estimates of the standalone selling price for each performance obligation;
- Our revenues do not include material amounts of variable consideration, or result in significant obligations associated with returns, refunds or warranties; and
- Most of our revenue is recognized when the applicable performance obligations are readily determinable. As noted above, our Topic 606 revenue is generally recognized at the time of delivery to, or made available for pick-up by, the customer or upon notification from our customers that a rented tool is damaged beyond repair, lost-in-hole, or lost-in-transit while in the care, custody or control of our customers.

Our revenues accounted for under Topic 842 also generally do not require significant estimates or judgments. We monitor and review our estimated standalone selling prices on a regular basis.

Fair Value of Financial Instruments

When active market quotes are not available, management uses valuation techniques to measure the fair value of financial instruments.

In applying the valuation techniques, management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility, and such estimates may vary from the actual results that would be achieved in an arm's length transaction at the reporting date. The assessment of the timing and extent of impairment of intangible assets involves both significant judgements by management about the current and future prospects for the intangible assets as well as estimates about the factors used to quantify the extent of any impairment that is recognized.

Stock-Based Compensation

We account for stock-based compensation in accordance with ASC 718, Compensation - Stock Compensation. ASC 718 requires that the cost of awards of equity instruments offered in exchange for employee services, including employee stock options and restricted stock awards, be measured based on the grant-date fair value of the award. We adopted FASB ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, on February 1, 2019. This ASU involves several aspects of the accounting for stock-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification in the accompanying consolidated statements of cash flows. The adoption did not have a material impact on the Interim Financial Statements.

We determine the fair value of stock options granted using the Black-Scholes-Merton option-pricing model ("Black-Scholes model") and recognize the cost over the period during which an employee is required to provide service in exchange for the award, generally the vesting period, net of estimated forfeitures. Because our common stock was not publicly traded as of March 31, 2023, we had to estimate the fair value of our common stock. Our board of directors considers numerous objective and subjective factors to determine the fair value of our common stock at each meeting in which awards are approved. The factors considered include, but are not limited to: (i) the results of contemporaneous independent third-party valuations of our common stock; (ii) the prices, rights, preferences, and privileges of our Redeemable Convertible Preferred Stock relative to those of our common stock; (iii) the lack of marketability of our common stock; (iv) actual operating and financial results; (v) current business conditions and projections; (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of Drilling Tools International Holdings, Inc., given prevailing market conditions; and (vii) precedent transactions involving our shares.

Leases

We adopted ASC 842, Leases ("ASC 842") as of January 1, 2022. ASC 842 was adopted using the modified retrospective transition approach, with no restatement of prior periods or cumulative adjustments to retained earnings. Upon adoption, we elected the package of transition practical expedients, which allowed us to carry forward prior conclusions related to whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases and initial direct costs for existing leases. We elected the use-of-hindsight to reassess lease term. We elected not to recognize leases with an initial term of 12 months or less within the consolidated balance sheets and to recognize those lease payments on a straight-line basis in the consolidated statements of operation over the lease term. The new lease accounting standard also provides practical expedients for an entity's ongoing accounting. We elected the practical expedient to not separate lease and non-lease components for all leases.

We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and current operating lease liabilities and operating lease liabilities, net of current portion on our consolidated balance sheets. We recognize lease expense for its operating leases on a straight-line basis over the term of the lease.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from a lease. ROU assets and operating lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Operating lease ROU assets also include the impact of any lease incentives. An amendment to a lease is assessed to determine if it represents a lease modification or a separate contract. Lease modifications are reassessed as of the effective date of the modification using an incremental borrowing rate based on the information available at the commencement date. For modified leases we also reassess the lease classification as of the effective date of the modification.

The interest rate used to determine the present value of the future lease payments is our incremental borrowing rate because the interest rate implicit in our leases is not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located.

Our lease terms include periods under options to extend or terminate the lease when it is reasonably certain that we will exercise that option in the measurement of its ROU assets and liabilities. We consider contractual-based factors such as the nature and terms of the renewal or termination, asset-based factors such as physical location of the asset and entity-based factors such as the importance of the leased asset to our operations to determine the lease term. We generally use the base, non-cancelable lease term when determining the ROU assets and lease liabilities. The ROU asset is tested for impairment in accordance with Accounting Standards Codification Topic 360, Property, Plant, and Equipment.

Lessor Accounting

Our leased equipment primarily consists of rental tools and equipment. Our agreements with our customers for rental equipment contain an operating lease component under ASC 842 because (i) there are identified assets, (ii) the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and (iii) the customer directs the use of the identified assets throughout the period of use.

Our lease agreement contract periods are daily, monthly, per well, or based on footage. Lease revenue is recognized on a straight-line basis based on these rates. We do not provide an option for the lessee to purchase the rented tools at the end of the lease and the lessees do not provide residual value guarantees on the rented assets.

We recognized operating lease revenue within “Tool rentals” on the consolidated statements of operations and comprehensive income.

Long-Lived Asset Impairment

We evaluate the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset’s carrying amount may not be recoverable. Such circumstances could include, but are not limited to, (1) a significant decrease in the market value of an asset, (2) a significant adverse change in the extent to or manner in which an asset is used, or (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. We measure the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires us to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. For the three months ended March 31, 2023 and 2022, management determined that there was no impairment with regard to our intangible assets.

For property, plant and equipment, events or circumstances indicating possible impairment may include a significant decrease in market value or a significant change in the business climate. An impairment loss is recognized when the carrying amount of an asset exceeds the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss is the excess of the asset’s carrying amount over its fair value. For the three months ended March 31, 2023 and 2022, management determined that there was no impairment with regard to our property, plant, and equipment.

Recently Issued and Adopted Accounting Standards

A discussion of recent accounting pronouncements is included in Note 1, *Summary of significant accounting policies,* to the Interim Financial Statements included elsewhere in this Report.

JOBS Act Accounting Election

In April 2012, the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” may take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Therefore, an emerging growth company can delay the

adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected to avail ourselves of this extended transition period and, as a result, we will not adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies. In addition, as an emerging growth company, we may take advantage of certain reduced disclosure and other requirements that are otherwise applicable generally to public companies. DTI will take advantage of these exemptions until such earlier time that it is no longer an emerging growth company. DTI would cease to be an emerging growth company on the date that is the earliest of (i) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; (ii) the last day of the fiscal year in which its total annual gross revenue is equal to or more than $1.07 billion; (iii) the date on which it has issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which it is deemed to be a large accelerated filer under the rules of the SEC.

Properties.

The locations from which DTIC operates are described in the Proxy Statement in the section entitled “Information About DTI - Properties” on page 195 and that information is incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth information known to DTIC regarding the beneficial ownership of DTIC Common Stock upon the Closing by:

- each person who is the beneficial owner of more than 5% of the outstanding shares of DTIC Common Stock;
- each of DTIC’s named executive officers and directors; and
- all of DTIC’s named executive officers and directors as a group.

The following table reflects Daniel J. Kimes’ resignation from the Board and the subsequent appointment of Thomas M. “Roe” Patterson as a director. See “—Directors and Executive Officers.”

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options, warrants and rights that are currently exercisable or exercisable within 60 days.

The beneficial ownership of DTIC Common Stock is based on 29,768,535 shares of DTIC Common Stock issued and outstanding immediately following the Closing.

Name of Beneficial Owner	Number of shares of DTIC Common Stock Beneficially Owned	Percentage of shares of outstanding DTIC Common Stock
Greater than 5% Stockholders:		
HHEP-Directional, L.P.(1)	15,928,111	53.5
ROC Energy Holdings, LLC(2)	6,273,397	21.1
Named Executive Officers and Directors:(3)		
R. Wayne Prejean(4)	1,640,401	5.3
David R. Johnson(5)	178,022	*
Michael W. Domino Jr.(6)	1,840,812	6.1
Thomas O. Hicks(7)	16,481,336	55.4
Curtis L. Crofford	75,000	*
John D. Furst(8)	175,311	*
Eric C. Neuman	—	—
Thomas M. “Roe” Patterson	—	—
C. Richard Vermillion(9)	399,944	1.3
All directors and named executive officers as a group (9 individuals)	20,790,826	65.9

* Less than 1%.

(1) The business address of HHEP-Directional, L.P. is 2200 Ross Avenue, 50th Floor, Dallas, Texas 75201.
(2) ROC Holdings is the record holder of the shares of DTIC Common Stock reported herein. FP SPAC 2 is the general partner of ROC Holdings and has voting and dispositive power over the shares of DTIC Common Stock held by ROC Holdings. FP SPAC 2 is controlled by Joseph Drysdale, Jeff Brownlow and Matt Mathison, each of whom is a Managing Partner of Fifth Partners, LLC. Consequently, such persons may be deemed the beneficial owner of the shares of DTIC Common Stock held by ROC Holdings and have voting and dispositive control over such securities. Such persons disclaim beneficial ownership of any shares of DTIC Common Stock other than to the extent each may have a pecuniary interest therein, directly or indirectly. The business address of ROC Holdings is 16400 Dallas Parkway, Dallas, Texas 75248.
(3) Unless otherwise noted, the business address of each of the following individuals is 3701 Briarpark Drive, Suite 150, Houston, Texas 77042.
(4) Includes 1,201,872 shares of DTIC Common Stock subject to DTIC Options held by Mr. Prejean and 438,529 shares of DTIC Common Stock owned by RobJon. Mr. Prejean disclaims any beneficial ownership of any shares of DTIC Common Stock held by RobJon, other than his pecuniary interest therein.
(5) Includes 132,375 shares of DTIC Common Stock subject to DTIC Options held by Mr. Johnson.
(6) Includes 370,264 shares of DTIC Common Stock subject to DTIC Options held by Mr. Domino.
(7) Includes 553,225 shares of DTIC Common Stock owned by Mr. Hicks directly and 15,928,111 shares owned by HHEP-Directional, L.P. Mr. Hicks disclaims any beneficial ownership of any shares of DTIC Common Stock held by HHEP-Directional, L.P., other than his pecuniary interest therein.
(8) Includes 57,059 shares of DTIC Common Stock subject to DTIC Options held by Mr. Furst directly and 118,252 shares of DTIC Common Stock owned by Oak Stream Investors II, Ltd. (“Oak Stream”). Mr. Furst disclaims any beneficial ownership of any shares of DTIC Common Stock held by Oak Stream, other than his pecuniary interest therein.
(9) Includes 399,944 shares of DTIC Common Stock owned by MV Partners I LP (“MV Partners”). Mr. Vermillion disclaims any beneficial ownership of any shares of DTIC Common Stock held by MV Partners, other than his pecuniary interest therein.

Directors and Executive Officers.

Information with respect to DTIC’s directors and executive officers after the Closing is described in the Proxy Statement in the section entitled “Management After the Business Combination” beginning on page 235 and that information is incorporated herein by reference.

Immediately following the Closing, Daniel J. Kimes resigned as a director. Mr. Kimes’ resignation was not due to a disagreement with DTIC on any matter relating to DTIC’s operations, policies or practices. To fill the subsequent vacancy, the Board immediately thereafter appointed Thomas M. “Roe” Patterson as a director.

Mr. Patterson is 48 years old and has more than 25 years of energy industry experience. He currently manages and invests in multiple companies inside and outside of the energy sector. He was Basic Energy Services, Inc.’s (“Basic”) President and Chief Executive Officer, and served as a member of Basics’ board of directors, from September 2013 until January 2020, when he retired from Basic. From 2006 to September 2013, Mr. Patterson worked for Basic in positions of increasing responsibility, including as Basic’s Senior Vice President and Chief Operating Officer from April 2011 until September 2013, Senior Vice President from September 2008 until April 2011 and as a Vice President from February 2006 until September 2008. Prior to joining Basic, he was President of TMP Companies, Inc. from 2000 to 2006. He was a Contracts / Sales Manager at Patterson Drilling Company from 1996 to 2000. From 1995 to 1996, he was employed as an Engine Sales Manager at West Texas Caterpillar. Mr. Patterson graduated with a Bachelor of Science degree in Biology from Texas Tech University.

Executive Compensation.

Information with respect to DTIC’s executive and director compensation is described in the Proxy Statement in the section entitled “DTI’s Executive and Director Compensation” beginning on page 229 and that information is incorporated herein by reference.

Certain Relationships and Related Transactions, and Director Independence.

Information with respect to certain relationships and related party transactions is described in the Proxy Statement in the section entitled “Certain Relationships and Related Party Transactions” beginning on page 248 and that information is incorporated herein by reference.

Pursuant to the Transaction Services Agreement between DTIH and Hicks Holdings Operating LLC (the “Transaction Services Agreement”), immediately prior to the Closing, DTIH issued 337,429 shares of DTIH Common Stock in lieu of cash as the fee payable with respect to the Business Combination. The Transaction Services Agreement terminated in accordance with its terms at the Closing.

Because DTIC Common Stock is listed on Nasdaq, DTIC is required to comply with the applicable rules of such exchange in determining whether a director is independent. The Board has determined, based on information provided by each director concerning his background, employment and affiliations, that each of Messrs. Furst, Neuman, Patterson and Vermillion qualifies as independent as defined under the applicable Nasdaq and SEC rules. In making these determinations, the Board considered the current and prior relationships that each director has with DTIC and all other facts and circumstances the Board deemed relevant in determining their independence. All members of the audit committee (the "Audit Committee"), compensation committee (the "Compensation Committee") and nominating and corporate governance committee (the "Nominating and Corporate Governance Committee") of the Board are independent as defined under the applicable Nasdaq and SEC rules.

The members of the Audit Committee are Messrs. Furst, Neuman and Patterson.

The members of the Compensation Committee are Messrs. Neuman and Vermillion.

The members of the Nominating and Corporate Governance Committee are Messrs. Furst and Vermillion.

Legal Proceedings.

Information with respect to legal proceedings involving DTIH is described in the DTIH Audited Financials beginning on page F-27 and that information is incorporated herein by reference.

Information with respect to legal proceedings involving ROC is described in the Proxy Statement in the section entitled "Information About ROC - Legal Proceedings" on page 222 and that information is incorporated herein by reference.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

The disclosure set forth in the "Introductory Note" above is incorporated by reference into this Item 2.01.

The information set forth in the section entitled "Price Range and Dividends on Securities" on page 251 of the Proxy Statement is incorporated herein by reference.

DTIC has reserved a pool of shares of DTIC Common Stock for issuance pursuant to awards under DTIC's 2023 Omnibus Incentive Plan equal to 10% of the aggregate number of shares of DTIC Common Stock issued and outstanding immediately after the Closing, which is equal to 2,976,854 shares.

Recent Sales of Unregistered Securities.

Reference is made to the disclosure set forth under Item 3.02 of this Report, which is incorporated herein by reference.

Description of Registrant's Securities to be Registered.

The information set forth in the section entitled "Description of Securities" on page 238 of the Proxy Statement is incorporated herein by reference.

Indemnification of Directors and Officers.

Reference is made to the disclosure set forth under the heading "Indemnification Agreements" under Item 1.01 of this Report, which is incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Reference is made to the disclosure set forth under Item 4.01 of this Report, which is incorporated herein by reference.

Financial Statements, Supplementary Data and Exhibits.

The Business Combination will be accounted for as a reverse recapitalization in accordance with U.S. GAAP and not as a business combination under ASC 805. Under this method of accounting, ROC will be treated as the acquired company for accounting

purposes, and DTIH will be treated as the accounting acquirer. In accordance with this method of accounting, the Business Combination will be treated as the equivalent of DTIH issuing shares for the net assets of ROC, accompanied by a recapitalization. The net assets of DTIH will be stated at historical cost, with no goodwill or other intangible assets recorded, and operations prior to the Business Combination will be those of DTIH.

Reference is made to the disclosure set forth under Item 9.01 of this Report, which is incorporated herein by reference.

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

Reference is made to the disclosure set forth under Item 1.01 of this Report relating to the Amended and Restated Credit Facility Agreement, which is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure relating to the PIPE Financing, the FP SPAC Note Conversion and the Exchange Agreements set forth in the "Introductory Note" above is incorporated by reference into this Item 3.02.

Item 3.03 Material Modification to Rights of Security Holders.

At the Special Meeting, ROC stockholders considered and approved, among other things, the proposals set forth in the Proxy Statement in the section titled "Proposal No. 3 - The Charter Proposal" (the "Charter Proposal") beginning on page 157, and that information is incorporated herein by reference.

DTIC's Second Amended and Restated Certificate of Incorporation, which became effective upon filing with the Secretary of State of the State of Delaware on the Closing Date, includes the amendments included in the Charter Proposal.

In connection with the Closing, the Board approved and adopted DTIC's Amended and Restated Bylaws, which became effective upon the consummation of the Business Combination.

The descriptions of DTIC's Second Amended and Restated Certificate of Incorporation and the general effect of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws upon the rights of the holders of DTIC Common Stock are included in the Proxy Statement under the sections titled "Proposal No. 3 - The Charter Proposal" and "Description of Securities" beginning on pages 157 and 238, respectively, and that information is incorporated herein by reference.

The foregoing description of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by the terms of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, which are attached hereto as Exhibits 3.1 and 3.2, respectively, and are incorporated by reference.

Item 4.01 Changes in Registrant's Certifying Accountant.

On the Closing Date, the Audit Committee approved the engagement of Weaver & Tidwell LLP ("Weaver") as DTIC's independent registered public accounting firm to audit DTIC's consolidated financial statements for the year ending December 31, 2023. Weaver served as the independent registered public accounting firm of DTIH prior to the Business Combination. Accordingly, WithumSmith+Brown, PC ("Withum"), ROC's independent registered public accounting firm prior to the Business Combination, was informed on June 16, 2023 that it would be replaced by Weaver as DTIC's independent registered public accounting firm, effective as of the Closing.

The report of Withum on ROC's balance sheets as of December 31, 2022 and 2021, and the related statements of operations, changes in stockholders' equity (deficit) and cash flows for the year ended December 31, 2022 and for the period from September 2, 2021 (inception) through December 31, 2021, did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles, except that such report contained an explanatory paragraph which noted that there was substantial doubt as to ROC's ability to continue as a going concern because of ROC's liquidity condition and date for mandatory liquidation.

During the period from September 2, 2021 (inception), through December 31, 2022, and subsequent interim periods through the Closing Date, there were no disagreements between ROC and Withum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Withum, would have caused Withum to make reference to the subject matter of the disagreement in connection with its report covering such period.

During the period from September 2, 2021 (inception), through December 31, 2022, and subsequent interim periods through the Closing Date, there were no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act ("Regulation S-K")).

During the period from September 2, 2021 (inception), through the Closing Date, the date the Audit Committee approved the engagement of Weaver as DTIC's independent registered public accounting firm, neither ROC nor anyone on ROC's behalf consulted with Weaver regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the financial statements of ROC or DTIC, and no written report or oral advice was provided to ROC by Weaver that Weaver concluded was an important factor considered by ROC or DTIC in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

ROC provided Withum with a copy of the foregoing disclosures prior to the filing of this Report and requested that Withum furnish DTIC with a letter addressed to the SEC stating whether it agrees with the statements made by DTIC set forth above. A copy of Withum's letter, dated June 26, 2023, is attached as Exhibit 16.1 to this Report.

Item 5.01 Changes in Control of Registrant.

The disclosure set forth in the "Introductory Note" above and in Item 2.01 of this Report is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On the Closing Date, in connection with the Closing, Daniel J. Kimes and Rosemarie Cicalese, the Chief Executive Officer and Chief Financial Officer, respectively, of ROC, resigned. On the Closing Date, in connection with the Closing, Joseph Drysdale, Daniel J. Kimes, Brian Minnehan, Alberto Pontonio, Lee Canaan, Win Graham and Joseph Colonnetta, each a member of the board of directors of ROC, resigned.

Immediately following the Closing, Daniel J. Kimes resigned as a director. Mr. Kimes' resignation was not due to a disagreement with DTIC on any matter relating to DTIC's operations, policies or practices. To fill the subsequent vacancy, the Board immediately thereafter appointed Thomas M. "Roe" Patterson as a director.

Information with respect to DTIC's directors and executive officers after the Closing is described in the Proxy Statement in the section entitled "Management After the Business Combination" beginning on page 235 and that information is incorporated herein by reference.

Information with respect to certain relationships and related party transactions is described in the Proxy Statement in the section entitled "Certain Relationships and Related Party Transactions" beginning on page 248 and that information is incorporated herein by reference.

Information with respect to DTIC's long-term incentive program is described in the Proxy Statement in the section entitled "Proposal No. 4 - The Incentive Plan Proposal" beginning on page 159 and that information is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Reference is made to the disclosure set forth under Item 3.03 of this Report, which is incorporated herein by reference.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On the Closing Date, in connection with the Closing, the Board adopted a new code of business conduct applicable to all of DTIC's employees, officers and directors. A copy of the code of business conduct is available on the investor relations portion of DTIC's

website at drillingtools.com/investors. The foregoing description of the code of business conduct does not purport to be complete and is qualified in its entirety by the full text of the code of business conduct, which is filed as Exhibit 14.1 hereto and incorporated herein by reference. DTIC expects that any amendments to the code of business conduct, or any waivers of its requirements, will be disclosed on its website or by any other means permitted under applicable SEC rules.

Item 5.06 Change in Shell Company Status.

As a result of the Business Combination, ROC ceased to be a shell company. Reference is made to the disclosure in the Proxy Statement in the section entitled "Proposal No. 1 - The Business Combination Proposal" beginning on page 106, and that information is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On the Closing Date, DTIC issued a press release announcing, among other things, the Closing. The press release is attached to this Report as Exhibit 99.3 and incorporated herein by reference.

The information contained under this Item 7.01 in this Report, including Exhibit 99.3, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of DTIC under the Securities Act or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses or funds acquired.

The unaudited financial statements of DTIH and its subsidiaries as of March 31, 2023 and for the three months ended March 31, 2023 and 2022 are set forth in Exhibit 99.1 hereto and are incorporated by reference herein. The DTIH Audited Financials are set forth in the Proxy Statement beginning on page F-3 and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information as of and for the three months ended March 31, 2023 is set forth in Exhibit 99.2 hereto and is incorporated by reference herein. The unaudited pro forma condensed combined financial information as of and for the year ended December 31, 2022 is set forth in the Proxy Statement beginning on page 85 and is incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
2.1†	Agreement and Plan of Merger, dated as of February 13, 2023, by and among ROC Energy Acquisition Corp., ROC Merger Sub, Inc. and Drilling Tools International Holdings, Inc. (incorporated by reference to Exhibit 2.1 to ROC Energy Acquisition Corp.'s Current Report on Form 8-K (File No. 001-41103), filed with the Securities and Exchange Commission on February 13, 2023).
2.2	First Amendment to the Agreement and Plan of Merger, by and among ROC Energy Acquisition Corp., ROC Merger Sub, Inc. and Drilling Tools International Holdings, Inc. (incorporated by reference to Exhibit 2.1 to ROC Energy Acquisition Corp.'s Current Report on Form 8-K (File No. 001-41103), filed with the Securities and Exchange Commission on June 9, 2023).
3.1	Second Amended and Restated Certificate of Incorporation of Drilling Tools International Corporation.
3.2	Amended and Restated Bylaws of Drilling Tools International Corporation.
4.1	Form of Specimen Common Stock Certificate of Drilling Tools International Corporation.
10.1	Form of Subscription Agreement (incorporated by reference to Exhibit 10.13 to ROC Energy Acquisition Corp.'s Registration Statement on Form S-4 (File No. 333-269763), filed with the Securities and Exchange Commission on April 21, 2023).

Exhibit No.	Description
10.2	Form of Amendment to the Subscription Agreement.
10.3	Form of Exchange Agreement.
10.4	First Amendment to the Sponsor Support Agreement, dated as of June 20, 2023, by and among ROC Energy Acquisition Corp., ROC Energy Holdings, LLC and Drilling Tools International Holdings, Inc.
10.5†	Amended and Restated Revolving Credit, Term Loan and Security Agreement, dated as of June 20, 2023, by and among Drilling Tools International, Inc., certain of its subsidiaries and PNC Bank, National Association.
10.6	Form of Lock-up Agreement (incorporated by reference to Exhibit 10.12 to ROC Energy Acquisition Corp.'s Registration Statement on Form S-4 (File No. 333-269763), filed with the Securities and Exchange Commission on February 14, 2023).
10.7	Form of Indemnification Agreement.
10.8	Amended and Restated Registration Rights Agreement, dated as of February 13, 2023, between ROC Energy Acquisition Corp., ROC Energy Holdings, LLC, EarlyBird Capital, Inc., HHEP-Directional, L.P., RobJon Holdings, L.P. and Michael W. Domino, Jr. (incorporated by reference to Exhibit 10.18 to ROC Energy Acquisition Corp.'s Registration Statement on Form S-4 (File No. 333-269763), filed with the Securities and Exchange Commission on February 14, 2023).
10.9#	Form of 2023 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to ROC Energy Acquisition Corp.'s Registration Statement on Form S-4 (File No. 333-269763), filed with the Securities and Exchange Commission on February 14, 2023).
14.1	Code of Business Conduct.
16.1	Letter from WithumSmith+Brown, PC to the Securities and Exchange Commission, dated June 26, 2023.
21.1	List of Subsidiaries.
99.1	Unaudited financial statements of Drilling Tools International Holdings, Inc. and its subsidiaries as of March 31, 2023 and for the three months ended March 31, 2023 and 2022.
99.2	Unaudited pro forma condensed combined financial information as of and for the three months ended March 31, 2023.
99.3	Press release, dated June 20, 2023.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

† Certain exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). DTIC agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

# Indicates management contract or compensatory plan or arrangement.

SIGNATURE

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.

Dated: June 26, 2023

DRILLING TOOLS INTERNATIONAL CORPORATION

By: /s/ R. Wayne Prejean
Name: R. Wayne Prejean
Title: Chief Executive Officer

Exhibit 3.1

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
ROC ENERGY ACQUISITION CORP.

ROC Energy Acquisition Corp. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify as follows:

1. The name of the Corporation is ROC Energy Acquisition Corp. The Corporation was incorporated under the name ROC Energy Acquisition Corp. by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on September 2, 2021 (the "Original Certificate").

2. An Amended and Restated Certificate of Incorporation, which amended and restated the Original Certificate in its entirety, was filed with the Secretary of State of the State of Delaware on December 1, 2021 (as amended from time to time, the "Existing Certificate").

3. This Second Amended and Restated Certificate of Incorporation (the "Second Amended and Restated Certificate"), which amends and restates the Existing Certificate in its entirety, has been approved by the Board of Directors of the Corporation (the "Board of Directors") in accordance with Sections 242 and 245 of the DGCL and has been adopted by the stockholders of the Corporation at a meeting of the stockholders of the Corporation in accordance with the provisions of Section 211 of the DGCL.

4. The text of the Existing Certificate is hereby amended and restated by this Second Amended and Restated Certificate to read in its entirety as set forth in EXHIBIT A attached hereto.

5. This Second Amended and Restated Certificate shall become effective as of 4:05 p.m. Eastern Time on the date of filing with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, ROC Energy Acquisition Corp. has caused this Second Amended and Restated Certificate to be signed by a duly authorized officer of the Corporation, on June 20, 2023.

ROC ENERGY ACQUISITION CORP.

By: /s/ Daniel Jeffrey Kimes
Name: Daniel Jeffrey Kimes
Title: Chief Executive Officer

EXHIBIT A

ARTICLE I NAME

The name of the corporation is Drilling Tools International Corporation (the "Corporation").

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware, 19801, and the name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL") as it now exists or may hereafter be amended and supplemented.

ARTICLE IV

CAPITAL STOCK

The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of capital stock which the Corporation shall have authority to issue is 510,000,000. The total number of shares of Common Stock that the Corporation is authorized to issue is 500,000,000, having a par value of $0.0001 per share, and the total number of shares of Preferred Stock that the Corporation is authorized to issue is 10,000,000, having a par value of $0.0001 per share.

The designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation are as follows:

A. COMMON STOCK.

1. General. The voting, dividend, liquidation, and other rights and powers of the Common Stock are subject to and qualified by the rights, powers and preferences of any series of Preferred Stock as may be designated by the Board of Directors of the Corporation (the "Board of Directors") and outstanding from time to time.

2. Voting. Except as otherwise provided herein or expressly required by law, each holder of Common Stock, as such, shall be entitled to vote on each matter submitted to a vote of stockholders and shall be entitled to one (1) vote for each share of Common Stock held of record by such holder as of the record date for determining stockholders entitled to vote on such matter. Except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate (including any Certificate of Designation (as defined below)) that relates solely to the rights, powers, preferences (or the qualifications, limitations or restrictions thereof) or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Second Amended and Restated Certificate (including any Certificate of Designation) or pursuant to the DGCL.

Subject to the rights of any holders of any outstanding series of Preferred Stock, the number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the then outstanding capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

3. Dividends. Subject to applicable law and the rights and preferences of any holders of any outstanding series of Preferred Stock, the holders of Common Stock, as such, shall be entitled to the payment of dividends on the Common Stock when, as and if declared by the Board of Directors in accordance with applicable law.

4. Liquidation. Subject to the rights and preferences of any holders of any shares of any outstanding series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's stockholders shall be distributed among the holders of the then outstanding Common Stock *pro rata* in accordance with the number of shares of Common Stock held by each such holder.

B. PREFERRED STOCK

Shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the creation and issuance of such series adopted by the Board of Directors as hereinafter provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designation relating thereto in accordance with the DGCL (a "Certificate of Designation"), to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, and to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the creation and issuance of

any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law and this Second Amended and Restated Certificate (including any Certificate of Designation). Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Second Amended and Restated Certificate (including any Certificate of Designation).

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the then outstanding capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V

BOARD OF DIRECTORS

For the management of the business and for the conduct of the affairs of the Corporation it is further provided that:

A. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the directors of the Corporation shall be classified with respect to the time for which they severally hold office into three classes, as nearly equal in number as possible and designated as Class I, Class II and Class III. The initial Class I directors shall serve for a term expiring at the first annual meeting of the stockholders following the date of this Second Amended and Restated Certificate; the initial Class II directors shall serve for a term expiring at the second annual meeting of the stockholders following the date of this Second Amended and Restated Certificate; and the initial Class III directors shall serve for a term expiring at the third annual meeting following the date of this Second Amended and Restated Certificate. At each annual meeting of the stockholders of the Corporation beginning with the first annual meeting of the stockholders following the date of this Second Amended and Restated Certificate, subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of the stockholders held in the third year following the year of their election. Each director shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, disqualification or removal. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II and Class III.

B. Except as otherwise expressly provided by the DGCL or this Second Amended and Restated Certificate, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors. Directors shall be elected by a plurality of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon.

C. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the Board of Directors or any individual director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

D. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, except as otherwise provided by law, any vacancies on the Board of Directors resulting from death, resignation, disqualification, retirement, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled exclusively by the affirmative vote of a majority of the directors then in office, even though less than a quorum, or by a sole remaining director (other than any directors elected by the separate vote of one or more outstanding series of Preferred Stock), and shall not be filled by the stockholders. Any director appointed in accordance with the preceding sentence shall hold office until the expiration of the term to which such director shall have been appointed or until his or her earlier death, resignation, retirement, disqualification, or removal.

E. Whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of this Second Amended and Restated Certificate (including any Certificate of Designation). Notwithstanding anything to the contrary in this Article V, the number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to paragraph B of this Article V, and the total number of directors constituting the whole Board of Directors shall be automatically adjusted accordingly. Except as otherwise provided in the Certificate of Designation(s) in respect of one or more series of Preferred Stock, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such Certificate of Designation(s), the terms of office of all such additional directors elected by the holders of such series of Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

F. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Amended and Restated Bylaws of the Corporation (as amended and/or restated from time to time, the "Bylaws"). In addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate (including any Certificate of Designation in respect of one or more series of Preferred Stock) or the Bylaws of the Corporation, the adoption, amendment or repeal of the Bylaws of the Corporation by the stockholders of the Corporation shall require the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote generally in an election of directors.

G. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

ARTICLE VI

STOCKHOLDERS

A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of the stockholders of the Corporation, and shall not be taken by written consent in lieu of a meeting. Notwithstanding the foregoing, any action required or permitted to be taken by the holders of any series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable Certificate of Designation relating to such series of Preferred Stock, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of the relevant series of Preferred Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with the applicable provisions of the DGCL.

B. Subject to the special rights of the holders of one or more series of Preferred Stock, special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, at any time only by or at the direction of the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer or the President, and shall not be called by any other person or persons.

C. Advance notice of stockholder nominations for the election of directors and of other business proposed to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VII

LIABILITY

No director or officer of the Corporation shall have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director or officer, as applicable, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended. Any amendment, repeal or modification of this Article VII, or the adoption of any provision of the Second Amended and Restated Certificate inconsistent with this Article VII, shall not adversely affect any right or protection of a director or officer of the Corporation with respect to any act or omission occurring prior to such amendment, repeal, modification or adoption. If the DGCL is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer, as applicable, of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

ARTICLE VIII

INDEMNIFICATION

A. To the fullest extent permitted by the DGCL or any other applicable law, as it presently exists or may hereafter be amended, the Corporation shall indemnify and hold harmless each person who is or was made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he or she or a person for whom he or she is the legal representative is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, against all liability and loss suffered and expenses (including, attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred by such indemnitee in connection with such proceeding; provided that such indemnitee acted in good faith and in a manner such indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such indemnitee's conduct was unlawful. The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by an indemnitee in defending or otherwise participating in any proceeding in advance of its final disposition; provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking, by or on behalf of the indemnitee, to repay all amounts so advanced if it shall ultimately be determined that the indemnitee is not entitled to be indemnified under this Article VIII or otherwise. The rights to indemnification and advancement of expenses conferred by this Article VIII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators. Notwithstanding the foregoing provisions of this Article VIII, except for proceedings to enforce rights to indemnification and advancement of expenses, the Corporation shall indemnify and advance expenses to an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

B. The rights to indemnification and advancement of expenses conferred on any indemnitee by this Article VIII shall not be exclusive of any other rights that any indemnitee may have or hereafter acquire under law, this Second Amended and Restated Certificate, the Bylaws, an agreement, vote of stockholders or disinterested directors, or otherwise.

C. Any repeal or amendment of this Article VIII by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Second Amended and Restated Certificate inconsistent with this Article VIII, shall, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to provide broader indemnification rights on a retroactive basis than permitted prior thereto), and shall not in any way diminish or adversely affect any right or protection existing at the time of such repeal or amendment or adoption of such inconsistent provision in respect of any proceeding (regardless of when such proceeding is first threatened, commenced or completed) arising out of, or related to, any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

D. This Article VIII shall not limit the right of the Corporation, to the extent and in the manner authorized or permitted by law, to indemnify and to advance expenses to persons other than indemnitees.

ARTICLE IX

CORPORATE OPPORTUNITY

To the fullest extent permitted by law, the doctrine of corporate opportunity and any analogous doctrine (any such potential opportunity, a "Corporate Opportunity") shall not apply to any stockholder, director, officer or any other person or entity (including, with respect to any of the foregoing that are entities, any affiliates and their respective directors, officers, partners, members and associated entities) in each case who is not a full-time employee of the Corporation or any of its subsidiaries (each, an "Exempted Person"). The Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities (including Corporate Opportunities) that are from time to time presented to any Exempted Person. Each Exempted Person who acquires knowledge of a potential circumstance, transaction, agreement, arrangement or other matter that may be a Corporate Opportunity shall not (a) have any duty to communicate or offer such opportunity to the Corporation and (b) shall not be liable to the Corporation, its subsidiaries or to the stockholders of the Corporation because such Exempted Person pursues or acquires for, or directs such opportunity to, itself or another Person or does not communicate such opportunity or information to the Corporation. No amendment or repeal of this Article IX shall apply to or have any effect on the liability or alleged liability of any Exempted Person for or with respect to any activities or opportunities of which such Exempted Person becomes aware prior to such amendment or repeal. This Article IX shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Second Amended and Restated Certificate of Incorporation, the Bylaws or applicable law.

ARTICLE X

FORUM SELECTION

A. Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding brought on behalf of the Corporation, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or to the Corporation's stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL or the bylaws of the Corporation or this Second Amended and Restated Certificate (as either may be

amended from time to time) or (iv) any action, suit or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article X, the federal district courts of the United States of America (the "Federal Courts") shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, except for, as to each of (a) and (b), any claim as to which the Chancery Court or the Federal Courts, as applicable, determines that there is an indispensable party not subject to the jurisdiction of the Chancery Court or the Federal Courts, as applicable (and the indispensable party does not consent to the personal jurisdiction of the Chancery Court or Federal Courts, as applicable, within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Chancery Court or the Federal Courts, as applicable, or for which the Chancery Court or Federal Courts, as applicable, does not have subject matter jurisdiction. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

B. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article X. This Article X is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. Notwithstanding the foregoing, the provisions of this Article X shall not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

C. If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article X (including, without limitation, each portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE XI

AMENDMENTS

A. Notwithstanding anything contained in this Second Amended and Restated Certificate to the contrary, in addition to any vote required by applicable law, the following provisions in this Second Amended and Restated Certificate may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least two- thirds (66 and 2/3%) of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: Part B of Article IV, Article V, Article VI, Article VII, Article VIII, Article IX, Article X and this Article XI.

B. If any provision or provisions of this Second Amended and Restated Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Second Amended and Restated Certificate (including, without limitation, each portion of any paragraph of this Second Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by applicable law, the provisions of this Second Amended and Restated Certificate (including, without limitation, each such portion of any paragraph of this Second Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

DRILLING TOOLS INTERNATIONAL CORPORATION

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ARTICLE I

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place, if any, as may be designated from time to time by the Board of Directors (the "Board") of Drilling Tools International Corporation, (the "Corporation"), the Chairperson of the Board or the Chief Executive Officer or, if not so designated, at the principal office of the Corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board, the Chairperson of the Board or the Chief Executive Officer. The Corporation may postpone, recess, reschedule or cancel any previously scheduled annual meeting of stockholders.

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board, the Chairperson of the Board or the Chief Executive Officer, and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. The Corporation may postpone, reschedule or cancel any previously scheduled meeting of stockholders.

1.4 Notice of Meetings. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, notice of each meeting of stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders given by the Corporation shall be effective if given by electronic transmission in accordance with the General Corporation Law of the State of Delaware (the "DGCL"). The notices of all meetings shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting). The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the DGCL.

1.5 Voting List. The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder; provided, that such list shall not be required to contain the electronic mail address or other

electronic contact information of any stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, then the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger contemplated by this Section 1.5 shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.5 or entitled to vote in person or by proxy at any meeting of stockholders.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the holders of a majority in voting power of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the Corporation issued and outstanding and entitled to vote on such matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to the same or some other place at which a meeting of stockholders may be held under these Bylaws by the Board, the chairperson of the meeting or, if directed to be voted on by the chairperson of the meeting, by a majority of the votes cast by stockholders present or represented at the meeting and entitled to vote thereon, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of thirty (30) days or less if the time and place of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for determination of stockholders entitled to vote at the adjourned meeting (in which case the Board shall fix the same or an earlier date as the record date for determining stockholders entitled to notice of such adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record as of such date). At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person or may authorize another person or persons to vote for such stockholder by proxy. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting. Proxies shall be filed with the Secretary of the Corporation. No such proxy shall be voted upon after three years from its date, unless the proxy expressly provides for a longer period. A proxy may be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power, regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation.

1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by a majority of the votes cast by the holders of all of the shares of stock present in person or represented by proxy at the meeting and voting affirmatively or negatively on such matter (or if one or more class, classes or series of stock are entitled to vote as a separate class or series, then a majority of the votes cast by the holders of the shares of stock of such class, classes or series entitled to vote as a separate class or series present or represented by proxy at the meeting and voting affirmatively or negatively on such matter), except when a different or minimum vote is required by law, regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation or these Bylaws, in which case such different or minimum vote shall be the required vote on such matter. When a quorum is present at any meeting, in any election by stockholders of directors other than in a contested election, directors shall be elected by the affirmative vote of a majority of the votes cast in favor or against the election of a nominee at a meeting of stockholders. In a contested election, (i) the directors shall be elected by a plurality of the votes cast at a meeting of stockholders by the holders of stock entitled to vote in such election, and (ii) stockholders shall not be permitted to vote against a nominee. An election shall be considered contested if, as of the tenth (10th) day preceding the date on which the Corporation first mails its notice of meeting for such meeting to the stockholders of the Corporation, there are more nominees for election than directorships on the Board to be filled by election at the meeting.

1.10 Nomination of Directors.

(A) Except for any directors entitled to be elected by the holders of preferred stock, at any meeting of stockholders, only persons who are nominated in accordance with the procedures in this Section 1.10 shall be eligible for election as directors. Nominations of persons for election to the Board at an annual meeting of stockholders or a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting may be made (i) by or at the direction of the Board or any duly authorized committee thereof or (ii) by any stockholder of the Corporation who (x) timely complies with the notice procedures in Section 1.10(B), (y) is a stockholder of record on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such meeting and (z) is entitled to vote at such meeting and on such election.

(B) To be timely, a stockholder's notice must be received in writing by the Secretary at the principal executive offices of the Corporation as follows: (i) in the case of an election of directors at an annual meeting of stockholders, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting (which date of the preceding year's annual meeting shall, for purposes of Sections 1.10 and 1.11 hereof with respect to the Corporation's first annual meeting of stockholders following the listing of its shares on a national securities exchange], be deemed to have occurred on June 1, 2023; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than seventy (70) days, from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which public disclosure of the date of such annual meeting is first made; or (ii) in the case of an election of directors at a special meeting of stockholders, provided that directors are to be elected at such special meeting as set forth in the Corporation's notice of meeting and provided further that the nomination made by the stockholder is for one of the director positions that the notice of meeting states will be filled at such special meeting, not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of (x) the 90th day prior to such special meeting and (y) the tenth day following the day on which public disclosure of the date of such special meeting for the election of directors is first made. The number of nominees a stockholder may nominate for election at a meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such meeting. In no event shall the adjournment or postponement of a meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice.

The stockholder's notice to the Secretary shall set forth: (A) as to each proposed nominee (1) such person's name, age, business address and, if known, residence address, (2) such person's principal occupation or employment, (3) the class(es) and series and number of shares of stock of the Corporation that are, directly or indirectly, owned, beneficially or of record, by such person, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among (x) the stockholder, the beneficial owner, if any, on whose behalf the nomination is being made and the respective affiliates and associates of, or others acting in concert with, such stockholder and such beneficial owner, on the one hand, and (y) each proposed nominee, and his or her respective affiliates and associates, or others acting in concert with such nominee(s), on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made or any affiliate or associate thereof or person acting in concert therewith were the "registrant" for purposes of such Item and the proposed nominee were a director or executive officer of such registrant, and (5) any other information concerning such person that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is being made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (2) the class(es) and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any agreement, arrangement or understanding

between or among such stockholder and/or such beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are being made or who may participate in the solicitation of proxies in favor of electing such nominee(s), (4) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder or such beneficial owner, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner with respect to shares of stock of the Corporation, (5) any other information relating to such stockholder and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (6) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and on such election and intends to appear in person or by proxy at the meeting to nominate the person(s) named in its notice and (7) a representation whether such stockholder and/or such beneficial owner intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock reasonably believed by such stockholder or such beneficial owner to be sufficient to elect the nominee (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies or votes from stockholders in support of such nomination (and such representation shall be included in any such solicitation materials). Not later than ten (10) days after the record date for determining the stockholders entitled to vote at the meeting, the information required by Items (A)(1)-(5) and (B)(1)-(5) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of such record date. In addition, to be effective, the stockholder's notice must be accompanied by the written consent of the proposed nominee to serve as a director if elected and to being named in the Corporation's proxy statement and associated proxy card as a nominee of the stockholder. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to, among other things, determine the eligibility of such proposed nominee to serve as a director of the Corporation or whether such nominee would be independent under applicable Securities and Exchange Commission and stock exchange rules and the Corporation's publicly disclosed corporate governance guidelines, as applicable. A stockholder shall not have complied with this Section 1.10(B) if the stockholder (or beneficial owner, if any, on whose behalf the nomination is made) solicits or does not solicit, as the case may be, proxies or votes in support of such stockholder's nominee in contravention of the representations with respect thereto required by this Section 1.10.

(C) The chairperson of any meeting shall have the power and duty to determine whether a nomination was made in accordance with the provisions of this Section 1.10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee in compliance with the representations with respect thereto required by this Section 1.10), and if the chairperson should determine that a nomination was not made in accordance with the provisions of this Section 1.10, the chairperson shall so declare to the meeting and such nomination shall not be brought before the meeting. Without limiting the foregoing, in

advance of any meeting of stockholders, the Board shall also have the power to determine whether any nomination was made in accordance with the provisions of this Section 1.10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee in compliance with the representations with respect thereto required by this Section 1.10).

(D) Except as otherwise required by law, nothing in this Section 1.10 shall obligate the Corporation or the Board to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board information with respect to any nominee for director submitted by a stockholder.

(E) Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present a nomination, such nomination shall not be brought before the meeting, notwithstanding that proxies in respect of such nominee may have been received by the Corporation. For purposes of this Article I, to be considered a "qualified representative" of the stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, at the meeting of stockholders.

(F) For purposes of this Article I, "public disclosure" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(G) Notwithstanding anything in this Section 1.10 to the contrary, in the event that the number of directors to be elected to the Board at any annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 1.10(B) and there is no public disclosure by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by Section 1.10(B) with respect to nominations for such annual meeting shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public disclosure is first made by the Corporation.

1.11 Notice of Business to be Brought Before a Meeting.

(A) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than the nominations of persons for election to the Board) must constitute a proper matter for stockholder action and must be (i) specified in a notice of meeting given by or at the direction of the Board or any duly authorized committee thereof, (ii) if not specified in a

notice of meeting, otherwise brought before the meeting by the Board or any duly authorized committee thereof or the Chairperson of the Board or (iii) otherwise properly brought before the meeting by a stockholder who (A) (1) was a stockholder of record of the Corporation both at the time of giving the notice provided for in this Section 1.11 and at the time of the meeting, (2) is entitled to vote at the meeting, and (3) has complied with this Section 1.11 in all applicable respects or (B) properly made such proposal in compliance with Rule 14a-8 under the Exchange Act. The foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. Notwithstanding anything herein to the contrary, unless otherwise required by law, if a stockholder seeking to bring business before an annual meeting pursuant to clause (iii) of this Section 1.11(A) (or a qualified representative of the stockholder) does not appear at the meeting to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such proposed business may have been received by the Corporation.

(B) Without qualification, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 1.11. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the 90th day prior to such annual meeting or, if later, the tenth day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of Timely Notice as described above.

(C) To be in proper form for purposes of this Section 1.11, a stockholder's notice to the Secretary shall set forth:

(i) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); and (B) the class(es) and series and number of shares of the Corporation that are, directly or indirectly, owned of record and beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information");

(ii) As to each Proposing Person, (A) the full notional amount of any securities that, directly or indirectly, underlie any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) ("Synthetic Equity Position") and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class(es) or series of shares of the Corporation; provided that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, provided, further, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (C) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (D) any other material relationship between such Proposing Person, on the one hand, and the Corporation and any affiliate of the Corporation, on the other hand, (E) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation or any affiliate of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (F) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (G) a representation that such Proposing Person intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or otherwise solicit proxies from stockholders in support of such proposal and (H) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (G) are referred to as "Disclosable Interests"); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner; and

(iii) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), and (C) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder(s) of shares of capital stock of the Corporation or persons(s) who have a right to acquire beneficial ownership at any time in the future of the shares of any class or series of the Corporation (including their names) in connection with the proposal of such business by such stockholder; and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; provided, however, that the disclosures required by this paragraph (iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

For purposes of this Section 1.11, the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, and (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation.

(D) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 1.11 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions proposed to be brought before a meeting of the stockholders.

(E) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 1.11. The chairperson of the meeting shall have the power and duty to determine whether any proposed business was brought in accordance with the provisions of this Section 1.11, and if the chairperson should determine that the business was not properly brought before the meeting in accordance with this Section 1.11, the chairperson shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Without limiting the foregoing, in advance of any meeting of stockholders, the Board shall also have the power to determine whether any proposed business was made in accordance with the provisions of this Section 1.11.

(F) This Section 1.11 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement. In addition to the requirements of this Section 1.11 with respect to any business proposed to be brought before an annual meeting of stockholders, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 1.11 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

1.12 Conduct of Meetings.

(A) Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in the Chairperson's absence by the Vice Chairperson of the Board, if any, or in the Vice Chairperson's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairperson designated by the Board. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

(B) The Board may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the Corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board, the chairperson of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of

record of the Corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(C) The chairperson of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted.

(D) In advance of any meeting of stockholders, the Board, the Chairperson of the Board or the Chief Executive Officer shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and, when the vote is completed, shall certify their determination of the result of the vote taken and of such other facts as may be required by law. Every vote taken by ballots shall be counted by a duly appointed inspector or duly appointed inspectors.

ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Term. The total number of directors constituting the Board shall be as fixed in, or in the manner provided by, the Certificate of Incorporation. Election of directors need not be by written ballot. The term of office of each director shall be as specified in the Certificate of Incorporation.

2.3 Chairperson of the Board; Vice Chairperson of the Board. The Board may appoint from its members a Chairperson of the Board and a Vice Chairperson of the Board, neither of whom need be an employee or officer of the Corporation. If the Board appoints a Chairperson of the Board, such Chairperson shall perform such duties and possess such powers as are assigned by the Board and, if the Chairperson of the Board is also designated as the Corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these Bylaws. If the Board appoints a Vice Chairperson of the Board, such Vice Chairperson shall perform such duties and possess such powers as are assigned by the Board. Unless otherwise provided by the Board, the Chairperson of the Board or, in the Chairperson's absence, the Vice Chairperson of the Board, if any, shall preside at all meetings of the Board.

2.4 Terms of Office. Directors shall be elected for such terms and in the manner provided by the Certificate of Incorporation and applicable law. The term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation, disqualification or removal. For the avoidance of doubt, no decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

2.5 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors established by the Board pursuant to Section 2.2 of these Bylaws shall constitute a quorum of the Board. If at any meeting of the Board there shall be less than a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law, the Certificate of Incorporation or these Bylaws.

2.7 Removal. Directors of the Corporation may only be removed in the manner specified by the Certificate of Incorporation.

2.8 Newly Created Directorships; Vacancies. Any newly created directorship or vacancy on the Board, however occurring, shall be filled in accordance with the Certificate of Incorporation and applicable law.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall be determined from time to time by the Board; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board may be called by the Chairperson of the Board, the Chief Executive Officer, the affirmative vote of a majority of the directors then in office, or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place and time of any special meeting of the Board shall be given to each director (a) in person or by telephone at least twenty- four (24) hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile, electronic mail or other means of electronic transmission, or delivering written notice by hand, to such director’s last known business, home or means of electronic transmission address at least twenty-four (24) hours in advance of the meeting, or (c) by

sending written notice by first-class mail to such director's last known business or home address at least seventy-two (72) hours in advance of the meeting. Such notice may be given by the Secretary or by the Chairperson of the Board, the Chief Executive Officer or one of the directors calling the meeting. A notice or waiver of notice of a meeting of the Board need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.14 Action by Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing or by electronic transmission.

2.15 Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation with such lawfully delegable powers and duties as the Board thereby confers, to serve at the pleasure of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board and subject to the provisions of law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board may from time to time request. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III

OFFICERS

3.1 Titles. The officers of the Corporation may consist of a Chief Executive Officer, a President, a Chief Financial Officer, a Treasurer and a Secretary and such other officers with such other titles as the Board shall from time to time determine. The Board may appoint such other officers, including one or more Vice Presidents and one or more Assistant Treasurers or Assistant Secretaries, as it may deem appropriate from time to time.

3.2 Appointment. The Chief Executive Officer, President, Treasurer and Secretary shall be appointed annually by the Board at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until such officer's successor is duly appointed and qualified, unless a different term is specified in the resolution appointing such officer, or until such officer's earlier death, resignation, disqualification or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a resignation in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the directors then in office. Except as the Board may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the Corporation.

3.6 Vacancies. The Board may fill any vacancy occurring in any office. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is duly elected and qualified, or until such officer's earlier death, resignation, disqualification or removal.

3.7 President; Chief Executive Officer. Unless the Board has designated another person as the Corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general charge and supervision of the business of the Corporation subject to the direction of the Board, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board. The President shall perform such other duties and shall have such other powers as the Board or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board or the Chief Executive Officer may from time to time prescribe. The Board may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board.

3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board, to attend all meetings of stockholders and the Board and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairperson of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the Corporation, to deposit funds of the Corporation in depositories selected in accordance with these Bylaws, to disburse such funds as ordered by the Board, to make proper accounts of such funds, and to render as required by the Board statements of all such transactions and of the financial condition of the Corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board.

3.12 Delegation of Authority. Subject to these Bylaws and any contrary action by the Board, each officer of the Corporation shall, have in addition to the duties and powers specifically set forth in these Bylaws, such duties and powers as are customarily incident to his or her office, and such duties and powers as may be designated from time to time by the Board. In addition, the Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV

CAPITAL STOCK

4.1 Stock Certificates; Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock of the Corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the DGCL, and each officer appointed pursuant to Article III shall be an authorized officer for this purpose.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these Bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the DGCL or, with respect to Section 151 of the DGCL, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.2 Transfers. Shares of stock of the Corporation shall be transferable in the manner prescribed by law, the Certificate of Incorporation and in these Bylaws. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation or by transfer agents designated to transfer shares of stock of the Corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

4.3 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate or uncertificated shares in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

4.4 Record Date. The Board may fix in advance a date as a record date for the determination of the stockholders entitled to notice of any meeting of stockholders, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action to which such record date relates. If the Board so fixes a record date for determining the stockholders entitled to notice of any meeting of stockholders, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

4.5 Regulations. The issue, conversion and registration of shares of stock of the Corporation shall be governed by such other regulations as the Board may establish.

ARTICLE V

GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board, the fiscal year of the Corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these Bylaws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Voting of Securities. Except as the Board may otherwise designate, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer may waive notice, vote, consent, or appoint any person or persons to waive notice, vote or consent, on behalf of the Corporation, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for the Corporation (with or without power of substitution and re-substitution), with respect to the securities of any other entity which may be held by the Corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Second Amended and Restated Certificate of Incorporation of the Corporation, as further amended and/or restated and in effect from time to time, including any certificate of designation relating to any outstanding series of preferred stock.

5.7 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

5.8 Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

5.9 Electronic Transmission. For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE VI

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new bylaws may be adopted, by the Board or the stockholders.

ARTICLE VII

INDEMNIFICATION AND ADVANCEMENT

7.1 Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL or any other applicable law, as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or non-profit entity, including service with respect to employee benefit plans (hereinafter, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as director, officer, employee, or agent, or in any other capacity while serving as director, officer, employee or agent, against all liability and loss suffered and expenses (including attorneys' fees, judgments, fines ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred by such indemnitee in connection with any such Proceeding; provided that such indemnitee acted in good faith and in a manner such indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such indemnitee's conduct was unlawful. Notwithstanding the preceding sentence, except as otherwise provided in Section 7.4, the Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such indemnitee only if the Proceeding was authorized in the specific case by the Board.

7.2 Indemnification of Others. The Corporation shall have the power to indemnify and hold harmless, to the fullest extent permitted by the DGCL or any other applicable law, as it presently exists or may hereafter be amended, any employee or agent of the Corporation who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an

employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

7.3 Prepayment of Expenses. In addition to the obligation to indemnify conferred in Section 7.1, the Corporation shall to the fullest extent not prohibited by the DGCL or any other applicable law pay the expenses (including attorneys' fees) incurred by any indemnitee, and may pay the expenses incurred by any employee or agent of the Corporation, in defending any Proceeding in advance of its final disposition; *provided, however*, that such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by or on behalf of the person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under this Article VII or otherwise.

7.4 Determination; Claim. If a claim for indemnification (following the final disposition of such Proceeding) under this Article VII is not paid in full within sixty (60) days, or a claim for advancement of expenses under this Article VII is not paid in full within thirty (30) days, after a written claim therefor has been received by the Corporation the indemnitee may thereafter (but not before) file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

7.5 Non-Exclusivity of Rights. The rights conferred on any person by this Article VII shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

7.6 Insurance. The Corporation shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust enterprise or non-profit entity against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the DGCL.

7.7 Other Indemnification. The Corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

7.8 Continuation of Indemnification. The rights to indemnification and to prepayment of expenses provided by, or granted pursuant to, this Article VII shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

7.9 Amendment or Repeal; Interpretation.

The provisions of this Article VII shall constitute a contract between the Corporation, on the one hand, and, on the other hand, each individual who serves or has served as a director or officer of the Corporation (whether before or after the adoption of these bylaws), in consideration of such person's performance of such services, and pursuant to this Article VII, the Corporation intends to be legally bound to each such current or former director or officer of the Corporation. With respect to current and former directors and officers of the Corporation, the rights conferred under this Article VII are present contractual rights and such rights are fully vested, and shall be deemed to have vested fully, immediately upon adoption of theses bylaws. With respect to any directors or officers of the Corporation who commence service following adoption of these bylaws, the rights conferred under this provision shall be present contractual rights and such rights shall fully vest, and be deemed to have vested fully, immediately upon such director or officer commencing service as a director or officer of the Corporation. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection (i) hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification or (ii) under any agreement providing for indemnification or advancement of expenses to an officer or director of the Corporation in effect prior to the time of such repeal or modification.

Any reference to an officer of the Corporation in this Article VII shall be deemed to refer exclusively to the Chief Executive Officer, the President and the Secretary of the Corporation, or other officer of the Corporation appointed by (x) the Board pursuant to Article III or (y) an officer to whom the Board has delegated the power to appoint officers pursuant to Article III, and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors (or equivalent governing body) of such other entity pursuant to the certificate of incorporation and bylaws (or equivalent organizational documents) of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise has been given or has used the title of "Vice President" or any other title that could be construed to suggest or imply that such person is or may be an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article VII.

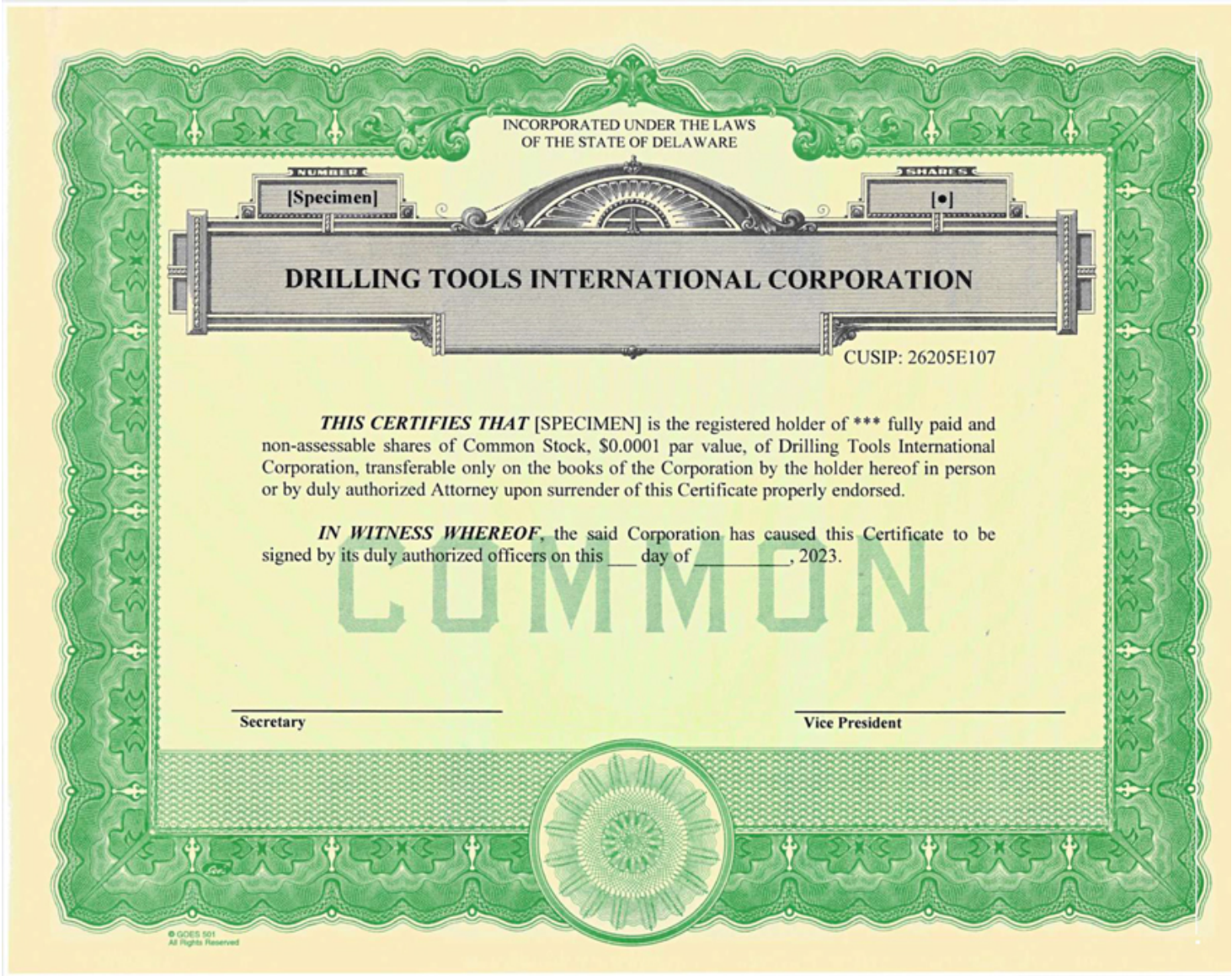
ARTICLE VIII

FORUM SELECTION

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative Proceeding brought on behalf of the Corporation, (ii) any Proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or to the Corporation's stockholders, (iii) any Proceeding arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these bylaws (as either may be amended from time to time) or (iv) any Proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article VIII, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. If any action the subject matter of which is within the scope of clause (b) of the immediately preceding sentence is filed in a court other than the federal district courts of the United States of America (a "Foreign Securities Act Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the federal district courts of the United States of America in connection with any action brought in any such court to enforce clause (b) (a "Securities Act Enforcement Action"), and (ii) having service of process made upon such stockholder in any such Securities Act Enforcement Action by service upon such stockholder's counsel in the Foreign Securities Act Action as agent for such stockholder.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article VIII. This provision is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. Notwithstanding the foregoing, the provisions of this Article VIII shall not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article VIII (including, without limitation, each portion of any paragraph of this Article VIII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.



INCORPORATED UNDER THE LAWS
OF THE STATE OF DELAWARE

NUMBER [Specimen]

SHARES [•]

DRILLING TOOLS INTERNATIONAL CORPORATION

CUSIP: 26205E107

THIS CERTIFIES THAT [SPECIMEN] is the registered holder of *** fully paid and non-assessable shares of Common Stock, $0.0001 par value, of Drilling Tools International Corporation, transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF, the said Corporation has caused this Certificate to be signed by its duly authorized officers on this ___ day of _____, 2023.

COMMON

Secretary

Vice President

Exhibit 10.2

FIRST AMENDMENT TO SUBSCRIPTION AGREEMENT

This First Amendment to Subscription Agreement (this "Amendment"), dated as of June __, 2023, is entered into by and among ROC Energy Acquisition Corp., a Delaware corporation (the "Company"), ROC Energy Holdings, LLC, a Delaware limited liability company (the "Sponsor"), _____, a Delaware limited liability company (the "Subscriber"), and Drilling Tools International Holdings, Inc., a Delaware corporation ("Target"). Except as otherwise indicated, capitalized terms used but not defined herein shall have the meanings set forth in the Subscription Agreement (as defined below).

RECITALS

WHEREAS, the Company, ROC Merger Sub, Inc., a Delaware corporation, and Target are parties to that certain Agreement and Plan of Merger, dated as of February 13, 2023, as amended by the First Amendment to Agreement and Plan of Merger dated June 5, 2023 (as so amended, the "Merger Agreement");

WHEREAS, the Company, the Sponsor and the Subscriber are party to that certain Subscription Agreement, dated as of March 30, 2023 (the "Subscription Agreement");

WHEREAS, Section 7.4 provides that the Subscription Agreement may be modified, waived or terminated by a written instrument signed by the Company, the Subscriber and, if prior the Transaction Closing, the Target; and

WHEREAS, the Company, the Subscriber and Target desire to amend the Subscription Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth in this Amendment, and intending to be legally bound hereby, the Company, the Subscriber and Target agree as follows:

1. Amendment to Recitals. The third recital regarding the PIPE Founder Share Forfeiture and the Contingent Shares are hereby deleted in their entirety.

2. Amendment of Section 1. Section 1 (Subscription) is hereby deleted in its entirety and replaced with the following:

   "1. Subscription. Subject to the terms and conditions hereof, Subscriber hereby subscribes for and agrees to purchase from the Company at the Closing, and the Company hereby agrees to issue and sell to Subscriber, upon the payment of the Purchase Price, at the Closing, that number of shares of Common Stock set forth on the signature page hereto (the "**Base Case Shares**" or the "**Securities**"), on the terms and conditions set forth herein (such subscription and issuance, the "**Subscription**")."

3. Amendment of Section 2.3. Section 2.3 (Sponsor's Representations and Warranties) is hereby deleted in its entirety and replaced with the following:

"2.3 [Reserved]."

4. Amendment of Section 6.1. Section 6.1 (Registration Rights) is hereby deleted in its entirety and replaced with the following:

"6.1 The Company agrees that within thirty (30) days after the Closing Date, the Company will file with the Commission (at the Company's sole cost and expense) a registration statement to register under and in accordance with the provisions of the Securities Act, the resale of all of the Registrable Securities (as defined below) on Form S-3 or Form S-1 (which in either case shall be filed pursuant to Rule 415 under the Securities Act as a secondary-only registration statement), which shall be on Form S-3 if the Company is then eligible for such short form, or any similar or successor short form registration or, if the Company is not then eligible for such short form registration or would not be able to register for resale all of the Registrable Securities on Form S-3, on Form S-1 or any similar or successor long form registration (the "**Registration Statement**"). The Company will provide a draft of the Registration Statement to Subscriber for review at least one (1) business day in advance of the filing the Registration Statement, and shall advise Subscriber promptly upon the Registration Statement being declared effective by the Commission. The Company shall use its commercially reasonable efforts to have the Registration Statement declared effective by the Commission as soon as practicable after the filing thereof. The Company's obligations to include the Registrable Securities of Subscriber in the Registration Statement are contingent upon Subscriber furnishing in writing to the Company such information regarding Subscriber, the securities of the Company held by Subscriber and the intended method of disposition of the Registrable Securities as shall be reasonably requested by the Company to effect the registration of the Registrable Securities, and Subscriber shall execute such documents in connection with such registration as the Company may reasonably request that are customary of a selling shareholder in similar situations. Notwithstanding the foregoing, if the Commission prevents the Company from including any or all of the Common Stock proposed to be registered under the Registration Statement due to limitations on the use of Rule 415 under the Securities Act for the resale of the Registrable Securities by the Subscribers or otherwise, the Company shall use its best efforts to ensure that the Commission determines that (1) the offering contemplated by the Registration Statement is a bona fide secondary offering and not an offering "by or on behalf of the issuer" as defined in Rule 415 of the Securities Act and (2) Subscriber is not a statutory underwriter. If the Company is unsuccessful in the efforts described in the preceding sentence, then (i) the Company shall cause the Registration Statement to register for resale such number of Common Stock which is equal to the maximum number of Common Stock as is permitted by the Commission and (ii) Subscriber shall have an opportunity to withdraw its Registrable Securities. In such event, the number of Common Stock to be registered for each selling shareholder named in the Registration Statement shall be reduced pro rata among all such selling shareholders. The Company will use its commercially reasonable efforts to maintain the continuous effectiveness of the Registration Statement until the earliest of (x) such time as when all of Subscriber's securities included therein cease to be Registrable Securities, (y) such time as when all of Subscriber's Registrable Securities included in the Registration Statement have actually been sold and (z) two years from the Closing Date. The Company

will use its commercially reasonable efforts to cause the removal of all restrictive legends from any Registrable Securities being sold under the Registration Statement at the time of sale of such Registrable Securities upon the receipt from the Subscriber of such supporting documentation, if any, as requested by the Company. The Company will use commercially reasonable efforts to file all reports, and provide all customary and reasonable cooperation, reasonably necessary to enable Subscriber to resell Registrable Securities pursuant to the Registration Statement, qualify the Registrable Securities for listing on the applicable stock exchange and update or amend the Registration Statement as necessary to include Registrable Securities. "**Registrable Securities**" shall mean, as of any date of determination, the Base Case Shares and any other equity security issued or issuable with respect to the Base Case Shares by way of share split, dividend, distribution, recapitalization, merger, exchange, replacement or similar event, provided, however, that such securities shall cease to be Registrable Securities at the earliest of (A) two (2) years after the Closing Date, (B) the date all Registrable Securities held by Subscriber may be sold by Subscriber without volume or manner of sale limitations pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable), (C) the date on which such securities have actually been sold by Subscriber, or (D) when such securities shall have ceased to be outstanding. Notwithstanding the foregoing, Subscriber shall not be required to sign any form of lock-up agreement in connection with the Registration Statement. Subscriber may deliver written notice (an "**Opt-Out Notice**") to the Company requesting that Subscriber not receive notices from the Company otherwise required by this Section 6.1; provided, however, that Subscriber may later revoke any such Opt-Out Notice in writing. Following receipt of an Opt-Out Notice from Subscriber (unless subsequently revoked), (i) the Company shall not deliver any such notices to Subscriber and Subscriber shall no longer be entitled to the rights associated with any such notice and (ii) Subscriber will notify the Company in writing at least three (3) business days in advance of each intended use of an effective Registration Statement, and if a notice of a Suspension Event (as defined below) was previously delivered (or would have been delivered but for the provisions of this Section 6.1) and the related suspension period remains in effect, the Company will so notify Subscriber, within two (2) business days after Subscriber's notification to the Company, by delivering to Subscriber a copy of such previous notice of Suspension Event, and thereafter will provide Subscriber with the related notice of the conclusion of such Suspension Event promptly following its availability."

5. Amendment of Section 9. Section 9 (Contingent Shares) is hereby deleted in its entirety and replaced with the following:

"9. [Reserved]."

6. No Further Amendment. Except as expressly and specifically set forth herein, the Sponsor Support Agreement is not otherwise being amended, modified or supplemented and all terms and provisions of the Sponsor Support Agreement are and shall remain in full force and effect in accordance with its terms and nothing contained herein or in any other communication prior to the execution and delivery hereof shall be construed as a waiver by, or consent from, any party hereto of any condition, any covenant or other provision of the Sponsor Support Agreement.

7. Miscellaneous. The provisions of Section 7 (Miscellaneous) of the Subscription Agreement are hereby incorporated by reference as if set forth in full herein and shall apply hereto *mutatis mutandis*.

8. Captions; Counterparts. The captions in this Amendment are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Amendment. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[*signature page follows*]

IN WITNESS WHEREOF, the Company, the Subscriber, the Sponsor and Target have caused this Amendment to be executed and delivered as of the date first written above.

ROC ENERGY ACQUISITION CORP.

By: _____
Name: Daniel Jeffrey Kimes
Title: Chief Executive Officer

ROC ENERGY HOLDINGS, LLC

By: _____
Name: Joseph Drysdale
Title: Managing Member

[•]

By: _____
Name:
Title:

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.

By: _____
Name: Wayne Prejean
Title: Chief Executive Officer

[Signature page to First Amendment to Subscription Agreement]

Exhibit 10.3

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT (this "**Exchange Agreement**") is entered into this ___ day of _____, 2023, by and between ROC Energy Holdings, LLC, a Delaware limited liability company (the "**Sponsor**"), ROC Energy Acquisition Corp., a Delaware corporation (the "**Company**"), ROC Merger Sub, Inc., a Delaware corporation ("**Merger Sub**"), Drilling Tools International Holdings, Inc., a Delaware corporation (the "**Target**"), and the undersigned ("**Exchangor**" or "**you**"). Defined terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Transaction Agreement (as defined below).

WHEREAS, the Company entered into that certain Agreement and Plan of Merger, dated as of February 13, 2023, by and among Target, the Company and Merger Sub (as it may be amended, the "**Transaction Agreement**"), pursuant to which, among other things, Merger Sub will merge with and into the Target, with the Target surviving the merger and the Company acquiring 100% of the outstanding equity of Target in exchange for the merger consideration described in the Transaction Agreement (the "**Transaction**");

WHEREAS, Section 3.01(a) of the Transaction Agreement contemplates that, among other things, at the Effective Time, all of the shares of Company Preferred Stock held by Exchangor will be converted into the right to receive the (i) Per Share Company Preferred Cash Consideration in cash and (ii) Per Share Company Preferred Stock Consideration, and Section 3.03 of the Transaction Agreement contemplates that, among other things, Exchangor will be entitled to receive such consideration upon the Company's receipt of the Letter of Transmittal and upon the satisfaction of certain other conditions;

WHEREAS, in connection with and contingent on the closing of the Transaction (the "**Transaction Closing**"), in lieu of receiving the dollar amount of the Per Share Company Preferred Cash Consideration set forth on the signature page hereto (the "**Specified Preferred Cash Consideration Amount**") payable with respect to the number of shares of Company Preferred Stock owned by the Exchangor and also set forth on the signature page hereto, and pursuant to the terms and conditions hereof, Exchangor desires to receive the number of shares of the Company's common stock, par value $0.0001 per share (the "**Common Stock**") set forth on the signature page hereto (the "**Securities**");

WHEREAS, in order to cause the dilution experienced by Company Shareholders to be similar to that which would result if the Securities were purchased for the Closing Share Price, pursuant to Section 9, Sponsor will forfeit, without consideration, [•] shares of Common Stock to the Company (the "**PIPE Founder Share Forfeiture**"); and

WHEREAS, in connection with the Transaction, certain other institutional "accredited investors" (within the meaning of Rule 501(a) under the Securities Act of 1933, as amended (the "**Securities Act**")) or "qualified institutional buyers" (within the meaning of Rule 144A under the Securities Act) (the "**Subscribers**") may enter into subscription agreements with the Company (the "**Subscription Agreements**") pursuant to which the Subscribers have agreed to purchase on the closing date of the Transaction (the "**Closing Date**") shares of Common Stock for $10.10 per share (the "**Offering**").

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties and covenants, and pursuant to the terms and subject to the conditions, herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Exchange; Tax Treatment.

1.1 Subject to the terms and conditions hereof, in lieu of the Company paying Exchangor the Specified Preferred Cash Consideration Amount, at the Closing, the Company hereby agrees to issue to Exchangor the Securities, in each case, on the terms and conditions set forth herein (such exchange, the "**Exchange**").

1.2 The parties to this Exchange Agreement intend that, for U.S. federal income Tax purposes, (a) Section 1.1 be treated as (i) an amendment to the terms of, and be integrated into, the Transaction Agreement and (ii) integrated into the "plan of reorganization" for purposes of Section 368 of the Code and Treasury Regulations Section 1.368-2(g) that is described in the Transaction Agreement (including Section 8.04(c) thereof), (b) the Exchange be integrated into the "reorganization" for purposes of Section 368(a) of the Code that is described in the Transaction Agreement (including Section 8.04(b)) thereof), (c) the Securities be treated as stock received by Exchangor pursuant to Section 354(a)(1) of the Code and the Specified Preferred Share Cash Consideration not be treated as money received by Exchangor pursuant to Section 356(a)(1) of the Code, and (d) the PIPE Founder Share Forfeiture be treated as a nontaxable contribution to capital by Sponsor to the Company. The parties to this Exchange Agreement shall file all Tax Returns in a manner consistent with the foregoing Tax treatment, and no such Party shall take any position that is inconsistent with such Tax Treatment, including in the preparation and filing of any Tax Return, the defense of any audit, examination, or other Tax-related proceeding, or otherwise, except as required by applicable Law.

2. Representations, Warranties and Agreements.

2.1 Exchangor's Representations, Warranties and Agreements. To induce the Company and Sponsor to enter into this Exchange Agreement, Exchangor hereby represents and warrants to the Company and Sponsor and agrees with the Company and Sponsor as follows:

2.1.1 If Exchangor is an entity, Exchangor has been duly formed or incorporated and is validly existing and in good standing under the laws of its jurisdiction of incorporation or formation, with power and authority to enter into, deliver and perform its obligations under this Exchange Agreement. If Exchangor is an individual, Exchangor has the authority to enter into, deliver and perform Exchangor's obligations under this Exchange Agreement.

2.1.2 This Exchange Agreement has been duly authorized, executed and delivered by Exchangor. If Exchangor is an individual, the signature on this Exchange Agreement is genuine, and Exchangor has legal competence and capacity to execute the same. This Exchange Agreement constitutes a valid and binding obligation of Exchangor, enforceable against Exchangor in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

2.1.3 The execution, delivery and performance by Exchangor of this Exchange Agreement and the consummation of the transactions contemplated herein do not and will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Exchangor or any of its subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which Exchangor or any of its subsidiaries is a party or by which Exchangor or any of its subsidiaries is bound or to which any of the property or assets of Exchangor or any of its subsidiaries is subject, which would reasonably be expected to have a material adverse effect on the business, properties, financial condition, stockholders' equity or results of operations of Exchangor and its subsidiaries, taken as a whole, or materially and adversely affect the legal authority or ability of Exchangor to comply in all material respects with the terms of this Exchange Agreement (a "**Exchangor Material Adverse Effect**"); (ii) if Exchangor is not an individual, result in any violation of the provisions of the organizational documents of Exchangor or any of its subsidiaries in any material respect; or (iii) result in any violation of any statute or any judgment, order, rule or regulation of any court or government or governmental, tribunal, judicial, administrative federal, state, local, or foreign or any agency, bureau, board, commission instrumentality or authority thereof, including any state's attorney general or any court or arbitrator (public or private) ("**Authority**"), having jurisdiction over Exchangor that would reasonably be expected to have a Exchangor Material Adverse Effect.

2.1.4 Exchangor (i) is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an "accredited investor" (within the meaning of Rule 501(a) under the Securities Act), in each case, satisfying the applicable requirements set forth on Schedule A, (ii) is acquiring all of the Securities only for his, her or its own account and not for the account of others, or if Exchangor is subscribing for the Securities as a fiduciary or agent for one or more investment accounts, each owner of such account is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an "accredited investor" (within the meaning of Rule 501(a) under the Securities Act) and Exchangor has full investment discretion with respect to each such account, and the full power and authority to make the acknowledgements, representations and agreements herein on behalf of each owner of each such account, and (iii) is acquiring the Securities for investment purposes only and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or the laws of any jurisdiction (and shall provide the requested information set forth on Schedule A). Accordingly, Exchangor understands that the offering of the Securities meets (x) the exemptions from filing under FINRA Rule 5123(b)(1)(C) or (J), or (y) the exemptions from filing under FINRA Rule 5123(b)(1)(A) and the institutional customer exemption under FINRA Rule 2111(b). If Exchangor is an entity, Exchangor is not an entity formed for the specific purpose of acquiring the Securities, unless all of the equity owners are "accredited investors" (within the meaning of Rule 501(a) of the Securities Act).

2.1.5 Exchangor understands and agrees that the Securities are being offered in a transaction not involving any public offering within the meaning of the Securities Act and that the Securities have not been registered under the Securities Act. Exchangor understands and agrees that the Securities may not be resold, transferred, pledged or otherwise disposed of by Exchangor absent an effective registration statement under the Securities Act with respect to the Securities except (i) to the Company or a subsidiary thereof, or (ii) pursuant to another applicable exemption from the registration requirements of the Securities Act that is available and that any certificates or book entries representing the Securities shall contain a restrictive legend to such effect. Exchangor understands and agrees that the Securities will not be eligible for resale pursuant to Rule 144A promulgated under the Securities Act. Exchangor understands and agrees that the Securities will be subject to the foregoing transfer restrictions and, as a result of these transfer restrictions, Exchangor may not be able to readily resell the Securities and may be required to bear the financial risk of an investment in the Securities for an indefinite period of time. Exchangor understands that it has been advised to consult legal, tax and accounting counsel prior to making any offer, resale, transfer, pledge or other disposition of any of the Securities.

2.1.6 Exchangor understands and agrees that Exchangor is receiving the Securities in the Exchange directly from the Company. Exchangor further acknowledges that there have been no representations, warranties, covenants and agreements made to Exchangor by the Company or any of its officers or directors, expressly or by implication, other than those representations, warranties, covenants and agreements included in this Exchange Agreement, and Exchangor is not relying on any representations, warranties or covenants other than those expressly set forth in this Exchange Agreement.

2.1.7 Exchangor represents and warrants that (i) it is not a Benefit Plan Investor as contemplated by the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or (ii) its acquisition and holding of the Securities will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Internal Revenue Code of 1986, as amended, or any applicable similar law.

2.1.8 In making its decision to receive the Securities in the Exchange, Exchangor represents that it has relied solely upon independent investigation made by Exchangor and the representations, warranties, and covenants of the Company contained in this Exchange Agreement. Exchangor acknowledges and agrees that Exchangor has received and has had an adequate opportunity to review, such financial and other information as Exchangor deems necessary in order to make an investment decision with respect to the Securities and made its own assessment and is satisfied concerning the relevant tax and other economic considerations relevant to Exchangor's investment in the Securities. Without limiting the generality of the foregoing, Exchangor acknowledges that it has reviewed the documents provided to Exchangor by the Company, including (collectively, the "**Disclosure Documents**"): (i) the final prospectus of the Company, dated as of December 1, 2021 and filed with the Securities and Exchange Commission (the "**Commission**") (File No. 333-260891) (the "**Prospectus**"), (ii) each SEC Document (as defined below) through the date of this Exchange Agreement, (iii) the Transaction Agreement, a copy of which has been filed by the Company with the Commission and (iv) the investor presentation by the Company and Target (the "**Investor Presentation**"), a copy of which has been furnished

by the Company to the Commission. Exchangor represents and agrees that Exchangor and its professional advisor(s), if any, have had the full opportunity to ask the Company's management questions, receive such answers and obtain such information as Exchangor and its professional advisor(s), if any, have deemed necessary to make an investment decision with respect to the Securities. Exchangor further acknowledges that the information contained in the Disclosure Documents is subject to change, and that any changes to the information contained in the Disclosure Documents, including any changes based on updated information or changes in terms of the Transaction, shall in no way affect Exchangor's obligation to accept the Securities hereunder, except as otherwise provided herein, and that, in accepting the Securities, Exchangor is not relying upon any projections contained in the Investor Presentation or any SEC Document. Exchangor acknowledges and agrees that (i) there have been no, and in accepting the Securities Exchangor has not, relied on any statements, representations, warranties, covenants, agreements or other information provided by Jefferies LLC (the "**Placement Agent**") or any of the Placement Agent's affiliates, agents or representatives with respect to its decision to invest in the Securities, including information related to the Company, Target, the Securities and the offer and sale of the Securities, (ii) neither the Placement Agent, nor any of the Placement Agent's affiliates, agents or representatives has provided Exchangor with any information or advice with respect to the Securities, nor is such information or advice necessary or desired, (iii) neither the Placement Agent nor any of the Placement Agent's affiliates, agents or representatives has prepared any disclosure or offering document in connection with the offer and sale of the Securities and (iv) the information provided to Exchangor is preliminary and subject to change. Neither the Placement Agent nor any of the Placement Agent's affiliates, agents or representatives has made or makes any representation as to the Company, Target or the quality or value of the Securities and the Placement Agent and its affiliates may have acquired non-public information with respect to the Company which Exchangor agrees need not be provided to it. Exchangor (i) agrees the Placement Agent shall not be liable to Exchangor or its affiliates for any action heretofore or hereafter taken or omitted to be taken by it in connection with Exchangor's receipt of the Securities pursuant to the Exchange and (ii) releases the Placement Agent in respect of any loses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses or disbursements related to this Exchange Agreement or the transactions contemplated hereby.

2.1.9 Exchangor became aware of this offering of the Securities solely (a) by means of direct contact from the Placement Agent, the Company, Target or a representative of the Placement Agent, the Company or Target, or (b) directly from the Company as a result of a pre-existing, substantial relationship with the Company, and the Securities were offered to Exchangor solely by direct contact between Exchangor and either the Placement Agent or the Company. Exchangor did not become aware of this offering of the Securities, nor were the Securities offered to Exchangor, by any other means. Exchangor acknowledges that the Placement Agent and its affiliates are acting solely as placement agents in connection with the Exchange and are not acting as underwriters or in any other capacity and are not and shall not be construed as a financial advisor, tax advisor or fiduciary for Exchangor or any other person or entity in connection with the Exchange; *provided however* that the Placement Agent is acting as a financial advisor to the Company in relation to the Transaction. Exchangor acknowledges that the Company represents and warrants that the Securities (i) were not offered by any form of general solicitation or general advertising and (ii) are not being offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act, or any state securities laws.

2.1.10 Exchangor acknowledges and agrees that it has not received any recommendation with respect to the Exchange from the Placement Agent and thus will not be deemed to form a relationship with the Placement Agent in connection with the Exchange that would require the Placement Agent to treat Exchangor as a "retail customer" for purposes of Regulation Best Interest pursuant to Rule 11-1 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or a "retail investor" for purposes of Form CRS pursuant to Rule 17a-14 of the Exchange Act. Accordingly, Exchangor acknowledges and agrees that it is not entitled to the protections or disclosures required by Regulation Best Interest or Form CRS with respect to the Exchange.

2.1.11 Exchangor acknowledges that it is aware that there are substantial risks incident to the receipt of the Securities pursuant to the Exchange and the ownership of the Securities. Exchangor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Securities, and Exchangor has sought such accounting, legal and tax advice as Exchangor has considered necessary to make an informed investment decision. Exchangor understands and acknowledges that (A) it (i) is a sophisticated investor, experienced in investing in private equity transactions and capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities and (ii) has exercised independent judgment in evaluating its participation in the receipt of the Securities and (B) the receipt of the Securities pursuant to the Exchange meets (i) the exemptions from filing under FINRA Rule 5123(b)(1)(A), (C) or (J) and (ii) the institutional customer exemption under FINRA Rule 2111(b).

2.1.12 Exchangor represents and acknowledges that Exchangor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Securities, has analyzed and fully considered the risks of an investment in the Securities and determined that the Securities are a suitable investment for Exchangor and that Exchangor is able at this time and in the foreseeable future to bear the economic risk of a total loss of Exchangor's investment in the Company. Exchangor further acknowledges specifically that a possibility of total loss of investment exists. Exchangor will not look to the Placement Agent for all or part of any such loss or losses, which Exchangor may suffer.

2.1.13 Exchangor understands and agrees that no federal or state agency has passed upon or endorsed the merits of the offering of the Securities or made any findings or determination as to the fairness of this investment.

2.1.14 Exchangor represents and warrants that Exchangor is not (i) a person or entity named on the List of Specially Designated Nationals and Blocked Persons, the Executive Order 13599 List, the Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, each of which is administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") or in any Executive Order issued by the President of

the United States and administered by OFAC ("**OFAC List**"), or a person or entity prohibited by any OFAC sanctions program, (ii) owned or controlled by, or acting on behalf of, a person, that is named on an OFAC List; (iii) organized, incorporated, established, located, resident or born in, or a citizen, national, or the government, including any political subdivision, agency, or instrumentality thereof, of any country or territory embargoed or subject to substantial trade restrictions by the United States; (iv) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (v) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank (collectively, a "**Prohibited Investor**"). Exchangor agrees to provide law enforcement agencies, if requested thereby, such records as required by applicable law, provided that Exchangor is permitted to do so under applicable law. Exchangor represents that if it is a financial institution subject to the Bank Secrecy Act (31 U.S.C. Section 5311 et seq.) (the "**BSA**"), as amended by the USA PATRIOT Act of 2001 (the "**PATRIOT Act**"), and its implementing regulations (collectively, the "**BSA/PATRIOT Act**"), that Exchangor, directly or indirectly through a third party administrator, maintains policies and procedures reasonably designed to comply with applicable obligations under the BSA/PATRIOT Act. Exchangor also represents that, to the extent required, it, directly or indirectly through a third-party administrator, maintains policies and procedures reasonably designed for the screening of its investors against the OFAC sanctions programs, including the OFAC List, and to otherwise ensure compliance with OFAC-administered sanctions programs.

2.1.15 Exchangor represents that no disqualifying event described in Rule 506(d)(1)(i)-(viii) under the Securities Act (a "**Disqualification Event**") is applicable to Exchangor or any of its Rule 506(d) Related Parties (as defined below), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Exchangor hereby agrees that it shall notify the Company promptly in writing in the event a Disqualification Event becomes applicable to Exchangor or any of its Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Section 2.1.15, "Rule 506(d) Related Party" shall mean a person or entity that is a direct beneficial owner of Exchangor's securities for purposes of Rule 506(d) under the Securities Act.

2.1.16 No broker, finder or other financial consultant has acted on behalf of Exchangor in connection with this Exchange Agreement or the transactions contemplated hereby in such a way as to create any liability on the Company.

2.1.17 Except as expressly disclosed in a Schedule 13D or Schedule 13G (or amendments thereto) filed by such Exchangor with the Commission with respect to the beneficial ownership of the Company's Common Stock prior to the date hereof, Exchangor is not currently (and at all times through Closing will refrain from being or becoming) a member of a "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) acting for the purpose of acquiring, holding or disposing of equity securities of the Company (within the meaning of Rule 13d-5(b)(1) under the Exchange Act).

2.1.18 No foreign person (as defined in 31 C.F.R. Part 800.224) in which the national or subnational governments of a single foreign state have a substantial interest (as defined in 31 C.F.R. Part 800.244) will acquire a substantial interest in the Company as a result of the receipt by Exchangor of the Securities hereunder such that a declaration to the Committee on Foreign Investment in the United States would be mandatory under 31 C.F.R. Part 800.401, and no foreign person will have control (as defined in 31 C.F.R. Part 800.208) over the Company from and after the Closing as a result of the receipt of the Securities by the Exchangor pursuant to the Exchange.

2.2 Company's Representations, Warranties and Agreements. To induce Exchangor and Sponsor to enter into this Exchange Agreement, the Company hereby represents and warrants to Exchangor and Sponsor and agrees with Exchangor and Sponsor as follows:

2.2.1 The Company has been duly incorporated and is validly existing as a corporation in good standing under the Delaware General Corporation Law (the "**DGCL**"), with the requisite corporate power and authority to own, lease and operate its properties and conduct its business as presently conducted and to enter into, deliver and perform its obligations under this Exchange Agreement.

2.2.2 The Securities have been duly authorized and, when issued and delivered to Exchangor against full payment for the Securities in accordance with the terms of this Exchange Agreement, and registered with the Company's transfer agent, the Securities will be validly issued, fully paid, non-assessable and free and clear of any liens or other restrictions whatsoever (other than those arising under state or federal securities laws or as set forth herein) and will not be issued in violation of or subject to any preemptive or similar rights created under the Company's amended and restated certificate of incorporation or bylaws or under the DGCL or any agreement to which the Company is a party.

2.2.3 This Exchange Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

2.2.4 The execution, delivery and performance of this Exchange Agreement (including compliance by the Company with all of the provisions hereof), the issuance and sale of the Securities and the consummation of the certain other transactions contemplated herein will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Company pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, which would, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, properties, assets, liabilities, operations, financial condition, stockholders' equity or results of operations of the Company or materially and adversely affect the

validity of the Securities or the legal authority or ability of the Company to comply in all material respects with the terms of this Exchange Agreement (a "**Material Adverse Effect**"); (ii) result in any violation of the provisions of the organizational documents of the Company in any material respect; or (iii) result in any violation of any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its properties that would reasonably be expected to have a Material Adverse Effect.

2.2.5 Neither the Company, nor any person acting on its behalf has, directly or indirectly, made any offers or sales of any Company security or solicited any offers to buy any security, under circumstances that would adversely affect reliance by the Company on Section 4(a)(2) of the Securities Act for the exemption from registration for the transactions contemplated hereby or would require registration of the issuance or sale of the Securities under the Securities Act.

2.2.6 Neither the Company nor any person acting on its behalf has conducted any general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) in connection with the offer or sale of any of the Securities and neither the Company, nor any person acting on its behalf has offered any of the Securities in a manner involving any public offering under, or in a distribution in violation of, the Securities Act or any state securities laws.

2.2.7 The Company has not taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation, administration or winding up or failed to pay its debts when due, nor does the Company have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or seek to commence an administration.

2.2.8 As of the date of this Exchange Agreement, the authorized capital stock of the Company consists of 100,000,000 shares of Common Stock and 1,000,000 shares of preferred stock, par value $0.0001 per share, of which 26,851,000 shares of Common Stock are issued and outstanding as of the date hereof and no preferred shares are issued and outstanding. 2,070,000 shares of Common Stock are reserved for issuance upon the exercise of the Company's rights ("**Company Rights**"). All (i) issued and outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and are non-assessable and are not subject to preemptive rights and (ii) outstanding Company Rights have been duly authorized and validly issued, are fully paid and are not subject to preemptive rights. As of the date hereof, except as set forth above pursuant to the organizational documents of the Company, the Subscription Agreements (as applicable), the Transaction Agreement and any promissory notes issued by Sponsor or its affiliate to the Company for working capital purposes or initial business combination deadline extension purposes as described in the SEC Documents ("**Sponsor Loans**"), there are no outstanding options, warrants or other rights to subscribe for, purchase or acquire from the Company any shares of Common Stock or other equity interests in the Company, or securities convertible into or exchangeable or exercisable for such equity interests. As of the date hereof, other than any subsidiary created for purposes of the Transaction, the Company has no subsidiaries and does not own, directly or indirectly, interests or

investments (whether equity or debt) in any person, whether incorporated or unincorporated. There are no stockholder agreements, voting trusts or other agreements or understandings to which the Company is a party or by which it is bound relating to the voting of any securities of the Company, other than (A) as set forth in the Company's filings with the Commission, together with any amendments, restatements or supplements thereto (the "**SEC Documents**"), and (B) as contemplated by the Transaction Agreement. Except as disclosed in the SEC Documents, the Company has no outstanding indebtedness and will not have any outstanding long-term indebtedness as of immediately prior to the Closing (excluding any Sponsor Loans).

2.2.9 Assuming the accuracy of Exchangor's and Sponsor's representations and warranties set forth in this Exchange Agreement, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to Exchangor and the Securities are not being offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act or any state securities laws.

2.2.10 Each of the SEC Documents complied in all material respects with the requirements of the Securities Act and the Exchange Act, and the rules and regulations of the Commission promulgated thereunder, and none of the SEC Documents, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that the Company makes no such representation or warranty with respect to any registration statement or any proxy statement/prospectus filed or to be filed by the Company with respect to the Transaction or any other information relating to Target or any of its affiliates included in any SEC Document or filed or furnished as an exhibit thereto. Each of the financial statements of the Company included in the SEC Documents comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments. As of the date hereof, there are no material outstanding or unresolved comments in comment letters from the Staff of the Commission with respect to any of the SEC Documents.

2.2.11 Other than the Subscription Agreements (as applicable), agreements between Company and Sponsor with respect to the Sponsor Loans, the Transaction Agreement, the Sponsor Support Agreement and any other agreement expressly contemplated by the Transaction Agreement, the Company has not entered into any side letter or similar agreement with any Subscriber or any other investor in connection with such Subscriber's or investor's investment in the Company. No Subscription Agreement includes a price per Security less than the price per Security implied by this Exchange Agreement or other terms and conditions that are more economically advantageous in any material respect to any such Subscriber than Exchangor hereunder, and such Subscription Agreements have not been and will not be amended or modified in any material respect following the date of this Exchange Agreement in any manner that materially benefits such Subscriber thereunder unless Exchangor has been offered the substantially similar benefits.

2.2.12 The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

2.2.13 As of the date of this Exchange Agreement the Company has not received any written communication from a governmental entity that alleges that the Company is not in compliance with or is in default or violation of any applicable law, except where such non-compliance, default or violation would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

2.2.14 Except for such matters as have not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, as of the date of this Exchange Agreement, there is no (i) proceeding pending, or, to the knowledge of the Company, threatened against the Company or (ii) judgment, decree, injunction, ruling or order of any governmental entity or arbitrator outstanding against the Company.

2.2.15 Except for discussions specifically regarding the offer and sale of the Securities, the Company confirms that neither it nor any other person acting on its behalf has provided Exchangor or its agents or counsel with any information that constitutes or could reasonably be expected to constitute material, nonpublic information concerning the Company or any of its subsidiaries, other than with respect to the transactions contemplated by this Exchange Agreement or the Subscription Agreements. Except with respect to the transactions contemplated by this Exchange Agreement and the Subscription Agreements, no event or circumstance has occurred which, under applicable law, rule or regulation, requires public disclosure at or before the date hereof or announcement by the Company but which has not been so publicly disclosed.

2.3 Sponsor's Representations and Warranties. To induce Company and Exchangor to enter into this Exchange Agreement, the Sponsor hereby represents and warrants to Company and Exchangor and agrees with Company and Exchangor as follows:

2.3.1 Organization and Standing; Authorization. Sponsor has been duly organized and is validly existing and in good standing under the Laws of the State of Delaware, (i) has all requisite limited liability company power and authority, as applicable, to own, lease and operate its properties and to carry on its business as now being conducted, (ii) has all requisite power and authority to execute and deliver this Exchange Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the character of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary. The execution and delivery of this Exchange Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and no other proceedings on the part of Sponsor are necessary to authorize the execution and delivery of this Exchange Agreement or to consummate the transactions contemplated hereby.

2.3.2 Binding Agreement. This Exchange Agreement has been duly authorized, executed and delivered by the Sponsor and is a valid and binding obligation of the Sponsor, enforceable against it in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

2.3.3 Consents. No notice, consent, approval, consent waiver or authorization of, or designation, declaration or filing with, any Governmental Authority on the part of Sponsor is required to be obtained or made in connection with the execution, delivery or performance by Sponsor of this Exchange Agreement or the consummation by Sponsor of the transactions contemplated hereby, other than (a) applicable requirements, if any, of the Securities Act, the Exchange Act, and/ or any state "blue sky" securities Laws, and the rules and regulations thereunder and (b) where the failure to obtain or make such consents or to make such filings or notifications has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Sponsor to enter into and perform this Exchange Agreement and to consummate the transactions contemplated hereby.

2.3.4 Non-Contravention. The execution and delivery of this Exchange Agreement, the consummation of the transactions contemplated hereby and compliance with any of the provisions hereof by Sponsor will not (a) conflict with or violate any provision of the certificate of incorporation or formation, bylaws, limited liability company agreement or similar organizational documents of Sponsor, as applicable, (b) conflict with or violate any Law, Governmental Order or required consent or approval applicable to Sponsor or any of its properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by Sponsor under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of Sponsor under, (viii) give rise to any obligation to obtain any third party consent or approval from any Person or (ix) give any Person the right to declare a default, exercise any remedy, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of, any material Contract of Sponsor, except for any deviations from any of the foregoing clauses (b) or (c) that has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Sponsor to enter into and perform this Exchange Agreement and to consummate the transactions contemplated hereby.

2.3.5 Solvency. The Sponsor has not taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation, administration or winding up or failed to pay its debts when due, nor does the Sponsor have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or seek to commence an administration.

2.4 Target and Merger Sub Representations. To induce Sponsor, Company and Exchangor to enter into this Exchange Agreement, each of the Target and Merger Sub hereby represents and warrants to Sponsor, Company and Exchangor and agrees with Company and Exchangor as follows:

2.4.1 Organization and Standing; Authorization. Such Person has been duly organized and is validly existing and in good standing under the Laws of the State of Delaware, (i) has all requisite corporate power and authority, as applicable, to own, lease and operate its properties and to carry on its business as now being conducted, (ii) has all requisite power and authority to execute and deliver this Exchange Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the character of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary. The execution and delivery of this Exchange Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and no other proceedings on the part of Sponsor are necessary to authorize the execution and delivery of this Exchange Agreement or to consummate the transactions contemplated hereby.

2.4.2 Binding Agreement. This Exchange Agreement has been duly authorized, executed and delivered by such Person and is a valid and binding obligation of such Person, enforceable against it in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

2.4.3 Consents. No notice, consent, approval, consent waiver or authorization of, or designation, declaration or filing with, any Governmental Authority on the part of such Person is required to be obtained or made in connection with the execution, delivery or performance by such Person of this Exchange Agreement or the consummation by such Person of the transactions contemplated hereby, other than (a) applicable requirements, if any, of the Securities Act, the Exchange Act, and/ or any state "blue sky" securities Laws, and the rules and regulations thereunder and (b) where the failure to obtain or make such consents or to make such filings or notifications has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of such Person to enter into and perform this Exchange Agreement and to consummate the transactions contemplated hereby.

3. Settlement Date and Delivery.

3.1 Closing. The closing of the Exchange contemplated hereby (the "**Closing**") is contingent upon the substantially concurrent consummation of the Transaction, as provided for by the Transaction Agreement. The Closing shall occur on the closing date of, and immediately prior to, or simultaneously with, the consummation of the Transaction.

3.2 Conditions to Closing.

3.2.1 The Closing shall be subject to the satisfaction or waiver by the Company, on the one hand, or Exchangor, on the other, of the conditions that, on the Closing Date:

(i) No suspension of the qualification of the Common Stock for offering or sale or trading on the Nasdaq Stock Market LLC ("**Nasdaq**") shall have occurred and be continuing.

(ii) No Authority shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, judgment, decree, executive order or award (whether temporary preliminary or permanent) which is then in effect and has the effect of making the transactions contemplated hereby illegal or otherwise prohibiting or enjoining the consummation of the transactions contemplated hereby.

(iii) All conditions precedent to the consummation of the Transaction set forth in the Transaction Agreement, as determined by the parties to the Transaction Agreement, shall have been satisfied or waived by the party entitled to the benefit thereof (other than those conditions that, by their nature, may only be satisfied at the consummation of the Transaction, but subject to satisfaction of such conditions as of the consummation of the Transaction), and the Transaction Closing shall be substantially concurrent with the Closing.

3.2.2 The Closing shall also be subject to the satisfaction or waiver by Exchangor of the conditions that, on the Closing Date:

(i) The Company and Sponsor shall have performed or complied in all material respects with all agreements and covenants required by this Exchange Agreement to be performed by the Company or Sponsor at or prior to the Closing.

(ii) The representations and warranties of the Company and Sponsor contained in this Exchange Agreement shall be true and correct in all material respects (other than representations and warranties that are qualified as to materiality or Material Adverse Effect (as defined herein), which representations and warranties shall be true in all respects) at and as of the Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all material respects (other than representations and warranties that are qualified as to materiality or Material Adverse Effect, which representations and warranties shall be true in all respects) as of such date), and consummation of the Closing, shall constitute a reaffirmation by the Company and Sponsor of each of the representations, warranties and agreements of the Company and Sponsor, respectively, contained in this Exchange Agreement as of the Closing Date.

(iii) No amendment, waiver or modification of the Transaction Agreement shall have occurred that would reasonably be expected to materially and adversely affect the economic benefits that Exchangor would reasonably expect to receive under this Exchange Agreement, unless Exchangor has previously consented in writing to such amendment, waiver or modification.

(iv) The Company shall have filed with Nasdaq an application or supplemental listing application for the listing of the Securities and Nasdaq shall have raised no objection with respect thereto, subject to official notice of issuance.

(v) There shall have been no amendment, waiver or modification to the Subscription Agreements (as applicable) that materially economically benefits the Subscribers thereunder unless Exchangor has been offered substantially similar benefits.

3.2.3 The Closing shall also be subject to the satisfaction or waiver by the Company of the conditions that, on the Closing Date:

(i) Exchangor shall have performed or complied in all material respects with all agreements and covenants required by this Exchange Agreement to be performed by Exchangor at or prior to the Closing.

(ii) All representations and warranties of Exchangor contained in this Exchange Agreement shall be true and correct in all material respects (other than representations and warranties that are qualified as to materiality or Exchangor Material Adverse Effect, which representations and warranties shall be true in all respects) at and as of the Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all material respects (other than representations and warranties that are qualified as to materiality or Exchangor Material Adverse Effect, which representations and warranties shall be true in all respects) as of such date), and consummation of the Closing, shall constitute a reaffirmation by Exchangor of each of the representations, warranties and agreements of Exchangor contained in this Exchange Agreement as of the Closing Date.

4. Transfer Restrictions.

4.1 After the Closing, the Securities may only be resold, transferred, pledged or otherwise disposed of in compliance with state and federal securities laws and pursuant to an effective registration statement, Rule 144 under the Securities Act ("**Rule 144**") or pursuant to another applicable exemption from the registration requirements of the Securities Act. As a condition of transfer (other than pursuant to an effective registration statement, pursuant to Rule 144 or pursuant to another applicable exemption from the registration requirements of the Securities Act), any such transferee shall agree in writing to be bound by the terms of this Exchange Agreement and shall have the rights and obligations of Exchangor under this Exchange Agreement.

4.2 The Company acknowledges that the Securities may be pledged by Exchangor in connection with a bona fide margin agreement, provided that such pledge shall be pursuant to an available exemption from the registration requirements of the Securities Act or pursuant to, and in accordance with, a registration statement that is effective under the Securities Act at the time of such pledge, and Exchangor effecting a pledge of the Securities shall not be required to provide the Company with any notice thereof; provided, however, that neither the Company nor its counsel

shall be required to take any action (or refrain from taking any action) in connection with any such pledge, other than providing any such lender of such margin agreement with an acknowledgment that the Securities are not subject to any contractual lock up or prohibition on pledging, the form of such acknowledgment to be subject to review and comment by the Company in all respects.

4.3 Subject to applicable requirements of the Securities Act and the interpretations of the Commission thereunder and any requirements of the Company's transfer agent, the Company shall use commercially reasonable efforts to ensure that instruments, whether certificated or uncertificated, evidencing the Securities shall not contain any legend (including the legend set forth in Section 4.4 below) (i) following any sale of such Securities pursuant to Rule 144, (ii) if such Securities are eligible for sale under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions, and in each case, Exchangor provides the Company with an undertaking to effect any sales or other transfers in accordance with the Securities Act, or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission).

4.4 Exchangor agrees to the imprinting, so long as is required by this Section 4, of a legend on any of the Securities in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

4.5 Exchangor hereby acknowledges and agrees that it will not, and will cause each person acting at Exchangor's direction or pursuant to any understanding with Exchangor to not, directly or indirectly, offer, sell, pledge, contract to sell or sell any option to purchase, or engage in hedging activities or execute any "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act, in each case that result in Exchangor having a net short cash position in respect of the Securities until the Closing (or such earlier termination of this Exchange Agreement in accordance with its terms). For the avoidance of doubt, nothing contained herein shall prohibit Exchangor from (i) any purchase of securities by Exchangor, its controlled affiliates or any person or entity acting on behalf of Exchangor or any of its controlled affiliates in an open market transaction after the execution of this Exchange Agreement, or (ii) any sale (including the exercise of any redemption right) of securities of the Company (A) held by Exchangor, its controlled affiliates or any person or entity acting on behalf of Exchangor or any of its controlled affiliates prior to the execution of this Exchange Agreement or (B) purchased by Exchangor, its controlled affiliates or any person or entity acting on behalf of Exchangor or any of its controlled affiliates in an open market transaction after the execution of this Exchange Agreement. Notwithstanding the foregoing, (i) nothing herein shall prohibit other entities under common management with Exchangor that have no knowledge of this Exchange Agreement or of Exchangor's participation

in the Transaction (including Exchangor's controlled affiliates and/or affiliates) from entering into any "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act and (ii) in the case of a Exchangor that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Exchangor's assets and the portfolio managers have no knowledge of the investment decisions made by the portfolio managers managing other portions of such Exchangor's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Exchange Agreement.

5. Termination. Except for the provisions of Sections 5, 7, 8 and 9 and the provisions of this Exchange Agreement providing for the return of funds previously delivered in the event the Closing does not occur, all of which shall survive any termination hereunder, this Exchange Agreement shall terminate and be void and of no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, upon the earlier to occur of (i) such date and time as the Transaction Agreement is terminated in accordance with its terms, (ii) upon the mutual written agreement of Company, Sponsor, Exchangor and Target to terminate this Exchange Agreement, or (iii) if the Closing shall not have occurred on or before the Termination Date (as defined in the Transaction Agreement); *provided*, that, subject to the limitations set forth in Section 8, nothing herein will relieve any party from liability for any willful breach hereof prior to the time of termination, and each party will be entitled to any remedies at law or in equity to recover losses, liabilities or damages arising from such breach. The Company shall notify Exchangor of the termination of the Transaction Agreement promptly after the termination of such agreement.

6. Registration Rights.

6.1 The Company agrees that within thirty (30) days after the Closing Date, the Company will file with the Commission (at the Company's sole cost and expense) a registration statement to register under and in accordance with the provisions of the Securities Act, the resale of all of the Registrable Securities (as defined below) on Form S-3 or Form S-1 (which in either case shall be filed pursuant to Rule 415 under the Securities Act as a secondary-only registration statement), which shall be on Form S-3 if the Company is then eligible for such short form, or any similar or successor short form registration or, if the Company is not then eligible for such short form registration or would not be able to register for resale all of the Registrable Securities on Form S-3, on Form S-1 or any similar or successor long form registration (the "**Registration Statement**"). The Company will provide a draft of the Registration Statement to Exchangor for review at least one (1) business day in advance of the filing the Registration Statement, and shall advise Exchangor promptly upon the Registration Statement being declared effective by the Commission. The Company shall use its commercially reasonable efforts to have the Registration Statement declared effective by the Commission as soon as practicable after the filing thereof. The Company's obligations to include the Registrable Securities of Exchangor in the Registration Statement are contingent upon Exchangor furnishing in writing to the Company such information regarding Exchangor, the securities of the Company held by Exchangor and the intended method of disposition of the Registrable Securities as shall be reasonably requested by the Company to effect the registration of the Registrable Securities, and Exchangor shall execute such documents in connection with such registration as the Company may reasonably request that are customary of a selling shareholder in similar situations. Notwithstanding the foregoing, if the Commission

prevents the Company from including any or all of the Common Stock proposed to be registered under the Registration Statement due to limitations on the use of Rule 415 under the Securities Act for the resale of the Registrable Securities by Exchangor or otherwise, the Company shall use its best efforts to ensure that the Commission determines that (1) the offering contemplated by the Registration Statement is a bona fide secondary offering and not an offering "by or on behalf of the issuer" as defined in Rule 415 of the Securities Act and (2) Exchangor is not a statutory underwriter. If the Company is unsuccessful in the efforts described in the preceding sentence, then (i) the Company shall cause such Registration Statement to register for resale such number of Common Stock which is equal to the maximum number of Common Stock as is permitted by the Commission and (ii) Exchangor shall have an opportunity to withdraw its Registrable Securities. In such event, the number of Common Stock to be registered for each selling shareholder named in the Registration Statement shall be reduced pro rata among all such selling shareholders. The Company will use its commercially reasonable efforts to maintain the continuous effectiveness of the Registration Statements until the earliest of (x) such time as when all of Exchangor's securities included therein cease to be Registrable Securities, (y) such time as when all of Exchangor's Registrable Securities included in such Registration Statement have actually been sold and (z) two years from the Closing Date. The Company will use its commercially reasonable efforts to cause the removal of all restrictive legends from any Registrable Securities being sold under the Registration Statement at the time of sale of such Registrable Securities upon the receipt from Exchangor of such supporting documentation, if any, as requested by the Company. The Company will use commercially reasonable efforts to file all reports, and provide all customary and reasonable cooperation, reasonably necessary to enable Exchangor to resell Registrable Securities pursuant to the Registration Statement, qualify the Registrable Securities for listing on the applicable stock exchange and update or amend the Registration Statement as necessary to include Registrable Securities. "**Registrable Securities**" shall mean, as of any date of determination, the Securities and any other equity security issued or issuable with respect to the Securities by way of share split, dividend, distribution, recapitalization, merger, exchange, replacement or similar event, provided, however, that such securities shall cease to be Registrable Securities at the earliest of (A) two (2) years after the Closing Date, (B) the date all Registrable Securities held by Exchangor may be sold by Exchangor without volume or manner of sale limitations pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable), (C) the date on which such securities have actually been sold by Exchangor, or (D) when such securities shall have ceased to be outstanding. Notwithstanding the foregoing, Exchangor shall not be required to sign any form of lock-up agreement in connection with the Registration Statement. Exchangor may deliver written notice (an "**Opt-Out Notice**") to the Company requesting that Exchangor not receive notices from the Company otherwise required by this Section 6.1; provided, however, that Exchangor may later revoke any such Opt-Out Notice in writing. Following receipt of an Opt-Out Notice from Exchangor (unless subsequently revoked), (i) the Company shall not deliver any such notices to Exchangor and Exchangor shall no longer be entitled to the rights associated with any such notice and (ii) Exchangor will notify the Company in writing at least three (3) business days in advance of each intended use of an effective Registration Statement, and if a notice of a Suspension Event (as defined below) was previously delivered (or would have been delivered but for the provisions of this Section 6.1) and the related suspension period remains in effect, the Company will so notify Exchangor, within two (2) business days after Exchangor's notification to the Company, by delivering to Exchangor a copy of such previous notice of Suspension Event, and thereafter will provide Exchangor with the related notice of the conclusion of such Suspension Event promptly following its availability.

6.2 At its expense the Company shall:

6.2.1 except for such times as the Company is permitted hereunder to suspend the use of the prospectus forming part of the Registration Statement, use its commercially reasonable efforts to keep such registration, and any qualification, exemption or compliance under state securities laws that the Company determines to obtain in connection with such registration, continuously effective with respect to Exchangor, and to keep the Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until all Securities acquired by Exchangor hereunder cease to be Registrable Securities or such shorter period upon which Exchangor has notified the Company that such Registrable Securities have actually been sold, or otherwise when the Registration Statement is no longer required to be effective under this Section 6;

6.2.2 subject to an Opt-Out Notice, advise Exchangor within three (3) business days: (A) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for such purpose; (B) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and (C) subject to the provisions in this Exchange Agreement, of the occurrence of any event that requires the making of any changes in the Registration Statement or prospectus included therein so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading. Notwithstanding anything to the contrary set forth herein, the Company shall not, when so advising Exchangor of such events, provide Exchangor with any material, nonpublic information regarding the Company other than to the extent that providing notice to Exchangor of the occurrence of the events listed in (A) through (C) above constitutes material, nonpublic information regarding the Company;

6.2.3 use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement as promptly as reasonably practicable;

6.2.4 upon the occurrence of any event contemplated in Section 6.2.2, except for such times as the Company is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of the Registration Statement, the Company shall use its commercially reasonable efforts to as promptly as reasonably practicable prepare a post-effective amendment to the Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

6.2.5 use its commercially reasonable efforts to cause all Securities to be listed on each securities exchange or market, if any, on which the Common Stock issued by the Company have been listed; and

6.2.6 use its commercially reasonable efforts to take all other steps necessary to effect the registration of the Registrable Securities contemplated hereby.

6.3 Notwithstanding anything to the contrary in this Exchange Agreement, the Company shall be entitled to delay or postpone the effectiveness of the Registration Statement, and from time to time to require Exchangor not to sell under the Registration Statement or to suspend the effectiveness thereof, (i) if any information (e.g., compensation data) is not readily available and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of the Company's board of directors, upon the advice of external legal counsel, to cause the Registration Statement to fail to comply with applicable disclosure requirements, (ii) at any time the Company is required to file a post-effective amendment to the Registration Statement and the Commission has not declared such amendment effective or (iii) if the negotiation or consummation of a transaction by the Company or its subsidiaries is pending or an event has occurred, which negotiation, consummation or event, the Company's board of directors reasonably believes, upon the advice of external legal counsel, would require additional disclosure by the Company in the Registration Statement of material non-public information that the Company has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of the Company's board of directors, upon the advice of external legal counsel, to cause the Registration Statement to fail to comply with applicable disclosure requirements (each such circumstance, a "**Suspension Event**"); provided, however, the Company shall not so delay filing or so suspend the use of the Registration Statement on more than two (2) occasions or for a period of more than ninety (90) consecutive days or more than a total of one hundred-fifty (150) calendar days, in each case in any three hundred sixty (360) day period. Upon receipt of any written notice from the Company of the happening of any Suspension Event during the period that the Registration Statement is effective or if, as a result of a Suspension Event, the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made (in the case of the prospectus) not misleading, Exchangor agrees that (i) it will immediately discontinue offers and sales of the Registrable Securities under the Registration Statement (excluding, for the avoidance of doubt, sales conducted pursuant to Rule 144) until such Exchangor receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare after the completion of the Suspension Event) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in such written notice delivered by the Company unless otherwise required by law or subpoena. If so directed by the Company, Exchangor will deliver to the Company or, in such Exchangor's sole discretion destroy, all copies of the prospectus covering the Registrable Securities in such Exchangor's possession; provided, however, that this obligation to deliver or

destroy all copies of the prospectus covering the Registrable Securities shall not apply (i) to the extent such Exchangor is required to retain a copy of such prospectus (a) in order to comply with applicable legal, regulatory, self-regulatory or professional requirements or (b) in accordance with a bona fide pre-existing document retention policy or (ii) to copies stored electronically on archival servers as a result of automatic data back-up.

6.4 The Company shall indemnify, defend and hold harmless Exchangor (to the extent a seller under the Registration Statement), and any of its officers, directors, agents, partners, members, stockholders, affiliates, managers, investment advisers and employees, and each person who controls Exchangor (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including reasonable out-of-pocket external attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) and expenses (collectively, "**Losses**"), as incurred, that arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any prospectus included in the Registration Statement or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading or (ii) any violation or alleged violation by the Company of the Securities Act, Exchange Act or any state securities law or any rule or regulation thereunder, in connection with the performance of its obligations under this Section 6, except insofar as and to the extent, but only to the extent, that such untrue statements, alleged untrue statements, omissions or alleged omissions are based upon information regarding Exchangor furnished in writing to the Company by such Exchangor expressly for use therein or such Exchangor has omitted a material fact from such information or otherwise violated the Securities Act, the Exchange Act or any state securities law or any rule or regulation thereunder; provided, however, that the indemnification contained in this Section 6 shall not apply to amounts paid in settlement of any Losses if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed), nor shall the Company be liable for any Losses to the extent they arise out of or are based upon a violation which occurs (A) in reliance upon and in conformity with written information furnished by such Exchangor, (B) in connection with any failure of such person to deliver or cause to be delivered a prospectus made available by the Company in a timely manner, (C) as a result of offers or sales effected by or on behalf of any person by means of a "free writing prospectus" (as defined in Rule 405 under the Securities Act) that was not authorized in writing by the Company, or (D) in connection with any offers or sales effected by or on behalf of such Exchangor in violation of Section 6.3 hereof. Exchangor shall notify the Company promptly of the institution of any proceeding arising from or in connection with the transactions contemplated by this Section 6 of which Exchangor becomes aware, provided that a failure by Exchangor to provide such notice shall not impact Exchangor's right to be indemnified hereunder unless the Company is actually prejudiced thereby. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an indemnified party and shall survive the transfer of the Securities by Exchangor.

6.5 Exchangor shall (severally and not jointly with any Subscriber) indemnify and hold harmless the Company, its directors, officers, agents and employees, and each person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or are based upon any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any prospectus included in the Registration Statement, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding Exchangor furnished to the Company by Exchangor expressly for use therein; provided, however, that the indemnification contained in this Section 6 shall not apply to amounts paid in settlement of any Losses if such settlement is effected without the consent of Exchangor (which consent shall not be unreasonably withheld, conditioned or delayed). In no event shall the liability of Exchangor be greater in amount than the dollar amount of the net proceeds received by Exchangor upon the sale of the Registrable Securities giving rise to such indemnification obligation. The Company shall notify Exchangor promptly of the institution of any proceeding arising from or in connection with the transactions contemplated by this Section 6 of which the Company becomes aware, provided that a failure by the Company to provide such notice shall not impact the Company's right to be indemnified hereunder unless Exchangor is actually prejudiced thereby. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an indemnified party and shall survive the transfer of the Securities by Exchangor.

6.6 If the indemnification provided under this Section 6 from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in this Section 6, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Section 6 from any person who was not guilty of such fraudulent misrepresentation. Each indemnifying party's obligation to make a contribution pursuant to this Section 6.6 shall be individual, not joint and several, and in no event shall the liability of Exchangor hereunder be greater in amount than the dollar amount of the net proceeds received by Exchangor upon the sale of the Registrable Securities giving rise to such indemnification obligation.

7. Miscellaneous.

7.1 Further Assurances. At the Closing, the parties hereto shall execute and deliver such additional documents and take such additional actions as the parties reasonably may deem to be practical and necessary in order to consummate the Exchange as contemplated by this Exchange Agreement.

7.1.1 Each party hereto acknowledges that the other parties, the Placement Agent and others will rely on the acknowledgments, understandings, agreements, representations and warranties contained in this Exchange Agreement. Prior to the Closing, Exchangor agrees to promptly notify the Company (which agrees to then promptly notify the Placement Agent, in writing) if any of the acknowledgments, understandings, agreements, representations and warranties made by Exchangor set forth herein are no longer accurate in all material respects. Exchangor further acknowledges and agrees that the Placement Agent is a third-party beneficiary of the representations and warranties of Exchangor contained in Section 2.1 of this Exchange Agreement.

7.1.2 Each of the Company, Exchangor and the Placement Agent (with respect to Section 2.1, Section 2.2 and Section 2.3) is entitled to rely upon this Exchange Agreement and is irrevocably authorized to produce this Exchange Agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

7.1.3 The Company may request from Exchangor such additional information as the Company may deem reasonably necessary to evaluate the eligibility of Exchangor to acquire the Securities, and Exchangor shall use reasonable best efforts to promptly provide such information as may be reasonably requested, to the extent readily available and to the extent consistent with its internal policies and procedures, *provided* that the Company agrees to keep confidential any such information provided by Exchangor; *provided, further* that upon receipt of such additional information, the Company shall be allowed to convey such information to the Placement Agent and the Placement Agent shall keep the information confidential, except as may be required to be disclosed by law, regulation, governmental, regulatory or self-regulatory body or legal process (including by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other process).

7.2 Notices. Any notice or communication required or permitted hereunder shall be in writing and either delivered personally, emailed or sent by overnight mail via a reputable overnight carrier, or sent by certified or registered mail, postage prepaid, and shall be deemed to be given and received (a) when so delivered personally, (b) when sent, with affirmative confirmation of receipt, if sent by email, (c) one (1) business day after being sent, if sent by reputable, internationally recognized overnight courier service or (d) three (3) business days after the date of mailing by registered or certified mail (prepaid and return receipt requested), in any case, to the address below or to such other address or addresses as such person may hereafter designate by notice given hereunder:

(i) if to Exchangor, to such address or addresses set forth on the signature page hereto;

(ii) if to the Company (prior to the Closing) or Merger Sub to:

ROC Energy Acquisition Corp.
16400 Dallas Parkway
Dallas, Texas 75248
Attention: Daniel Kimes, Chief Executive Officer
E-mail: dkimes@rocspac.com

with a required copy to (which copy shall not constitute notice):

Winston & Strawn LLP
800 Capitol Street, Suite 2400
Houston, Texas 77002
Attention: Michael J. Blankenship
E-mail: MBlankenship@winston.com

and

Drilling Tools International Holdings, Inc.
3701 Briarpark Drive, Suite 150
Houston, Texas 77042
Attention: Wayne Prejean, Chief Executive Officer
Email: wayne.prejean@drillingtools.com

with a required copy to (which copy shall not constitute notice):

Bracewell LLP
711 Louisiana Street, Suite 2300
Houston, TX 77002
Attn: William S. Anderson
Benjamin J. Martin
Email: will.anderson@bracewell.com
ben.martin@bracewell.com

(iii) if to the Company (following the Closing) or Target to:

Drilling Tools International Corporation
3701 Briarpark Drive, Suite 150
Houston, Texas 77042
Attention: Wayne Prejean, Chief Executive Officer
Email: wayne.prejean@drillingtools.com

with a required copy to (which copy shall not constitute notice):

Bracewell LLP
711 Louisiana Street, Suite 2300
Houston, TX 77002
Attn: William S. Anderson
Benjamin J. Martin
Email: will.anderson@bracewell.com
ben.martin@bracewell.com

And

ROC Energy Holdings, LLC
16400 Dallas Parkway
Dallas, Texas 75248
Attention: Daniel Kimes, Chief Executive Officer
E-mail: dkimes@rocspac.com

with a required copy to (which copy shall not constitute notice):

Winston & Strawn LLP
800 Capitol Street, Suite 2400
Houston, Texas 77002
Attention: Michael J. Blankenship
E-mail: MBlankenship@winston.com

(iv) If to Sponsor to:

ROC Energy Holdings, LLC
16400 Dallas Parkway
Dallas, Texas 75248
Attention: Daniel Kimes, Chief Executive Officer
E-mail: dkimes@rocspac.com

with a required copy to (which copy shall not constitute notice):

Winston & Strawn LLP
800 Capitol Street, Suite 2400
Houston, Texas 77002
Attention: Michael J. Blankenship
E-mail: MBlankenship@winston.com

7.3 Entire Agreement. This Exchange Agreement constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, among the parties, with respect to the subject matter hereof (other than any confidentiality agreement entered into by the Company and Exchangor in connection with the Offering).

7.4 Modifications and Amendments. This Exchange Agreement may not be modified, waived or terminated except by an instrument in writing, signed by the Company, Exchangor and, if prior to the Transaction Closing, Target. Notwithstanding anything to the contrary herein, Section 2.1, Section 2.2, Section 2.3, Section 7.1, this Section 7.4, Section 7.7, Section 7.10 and Section 7.12 may not be modified, waived or terminated in a manner that is material and adverse to the Placement Agent without the written consent of the Placement Agent.

7.5 Waivers and Consents. The terms and provisions of this Exchange Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party against whom enforcement of such waiver or consent is sought (and with respect to any waiver or consent by the Company prior to the Transaction Closing, Target). No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Exchange Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent. No failure or delay by a party hereto in exercising any right, power or remedy under this Exchange Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of such party. No single or partial exercise of any right, power or remedy under this Exchange Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Exchange Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

7.6 Assignment. Neither this Exchange Agreement nor any rights, interests or obligations that may accrue to Exchangor hereunder (other than the Securities acquired hereunder by Exchangor, if any, after the Closing and Exchangor's rights under Section 6 above) may be transferred or assigned without the prior written consent of the Company, and any purported transfer or assignment without such consent shall be null and void ab initio; *provided*, *however*, Exchangor may transfer or assign its rights, interests and obligations hereunder to a controlled affiliate of Exchangor or another investment fund or account managed or advised by the same manager as Exchangor (or a related party or affiliate) that can satisfy the requirements of Section 2.1.4 and the other representations and warranties in Section 2.1, *provided*, further, that no such transfer or assignment without the prior express written consent of the Company shall release Exchangor of its obligations hereunder and such transferee(s) or assignee(s), as applicable, agrees in writing to be bound by the terms hereof as if it were the original Exchangor party hereto.

7.7 Benefit.

7.7.1 Except as otherwise provided herein, this Exchange Agreement shall be binding upon, and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assigns, and the agreements, representations, warranties, covenants and acknowledgments contained herein shall be deemed to be made by, and be binding upon, such heirs, executors, administrators, successors, legal representatives and permitted assigns. Except as expressly provided for herein, this Exchange Agreement shall not confer rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns.

7.7.2 Exchangor acknowledges and agrees that (a) this Exchange Agreement is being provided to Target, (b) each representation, warranty, covenant and agreement of Exchangor hereunder is being made also for the benefit of Target and the Placement Agent, and (c) Target may directly enforce (including by an action for specific performance, injunctive relief or other equitable relief) each of the covenants and agreements of Exchangor under this Exchange Agreement.

7.7.3 Each of the parties agrees that Target is an express third party beneficiary of this Exchange Agreement and Target may directly enforce (including by an action for specific performance, injunctive relief or other equitable relief) each of the provisions of this Exchange Agreement, as amended, modified, supplemented or waived in accordance with Sections 7.4 and 7.5, as if it were a direct party hereto.

7.7.4 Each of the parties further agrees that the Placement Agent is a third-party beneficiary of the representations and warranties of Exchangor, the Company and Sponsor under Section 2.1, Section 2.2, Section 2.3 of this Exchange Agreement, respectively, and that the Placement Agent has the right to directly enforce (including by an action for specific performance, injunctive relief or other equitable relief) Section 2.1, Section 2.2, Section 2.3 and Section 7.7 of this Exchange Agreement, as applicable, on its behalf and not, for the avoidance of doubt, on behalf of the Company or Target.

7.8 Governing Law. This Exchange Agreement, and any claim or cause of action hereunder based upon, arising out of or related to this Exchange Agreement (whether based on law, in equity, in contract, in tort or any other theory) or the negotiation, execution, performance or enforcement of this Exchange Agreement, shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

7.9 Consent to Jurisdiction; Waiver of Jury Trial. Any action based upon, arising out of or related to this Exchange Agreement, or the transactions contemplated hereby, shall be brought in the Court of Chancery of the State of Delaware or, if such court declines to exercise jurisdiction, any federal or state court located in the State of Delaware, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such action, waives any objection it may now or hereafter have to personal jurisdiction, venue or to convenience of forum, agrees that all claims in respect of the action shall be heard and determined only in any such court, and agrees not to bring any action arising out of or relating to this Exchange Agreement or the transactions contemplated hereby in any other court. Nothing herein contained shall be deemed to affect the right of any party to serve process in any manner permitted by law, or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction, in each case, to enforce judgments obtained in any action brought pursuant to this Section 7.9. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION BASED UPON, ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

7.10 Non-Reliance and Exculpation. Exchangor acknowledges that it is not relying upon, and has not relied upon, any statement, representation or warranty made by any person (including the Placement Agent, any of its respective affiliates or any of its or their control persons, officers, directors, employees, partners, agents, and any representatives of any of the foregoing), other than the statements, representations and warranties of the Company expressly contained in Section 2.2 of this Exchange Agreement, in making its investment or decision to invest in the

Company. Exchangor (i) acknowledges and agrees that neither of the Placement Agent, nor its affiliates or any of its or their respective control persons, officers, directors, employees or representatives shall have any liability to Exchangor pursuant to, arising out of or relating to this Exchange Agreement, the negotiation hereof or its subject matter, or the transactions contemplated hereby, including, without limitation, with respect to any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the receipt of the Securities pursuant to the Exchange or with respect to any claim (whether in tort, contract or otherwise) for breach of this Exchange Agreement or in respect of any written or oral representations made or alleged to be made in connection herewith, as expressly provided herein, or for any actual or alleged inaccuracies, misstatements or omissions with respect to any information or materials of any kind furnished by the Company, the Placement Agent, Target or any other person or entity concerning the Company or Target and (ii) releases the Placement Agent in respect of any loses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses or disbursements related to this Exchange Agreement or the transactions contemplated hereby. Exchangor further acknowledges and agrees that no Subscriber pursuant to a Subscription Agreement (including the controlling persons, members, officers, directors, partners, agents, employees or other representatives of any Subscriber) shall be liable to Exchangor pursuant to this Exchange Agreement for any action heretofore or hereafter taken or omitted to be taken by any Subscriber in connection with the purchase of the Securities (as defined in the Subscription Agreements) pursuant to a Subscription Agreement.

7.11 Severability. If any provision of this Exchange Agreement shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Exchange Agreement shall not in any way be affected or impaired thereby and shall continue in full force and effect. Upon such determination that any provision is invalid, illegal or unenforceable, the parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision.

7.12 Survival of Representations and Warranties. All representations and warranties made by the parties hereto in this Exchange Agreement or in any other agreement, certificate or instrument provided for or contemplated hereby, shall survive the Closing until the expiration of any statute of limitations under applicable law.

7.13 Expenses. Exchangor shall pay all of its own expenses in connection with this Exchange Agreement and the transactions contemplated herein.

7.14 Headings and Captions. The headings and captions of the various subdivisions of this Exchange Agreement are for convenience of reference only and shall in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

7.15 Counterparts. This Exchange Agreement may be executed in one or more counterparts (including by facsimile or electronic mail or in ..pdf), all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or any other form of electronic delivery, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

7.16 Construction. The words "*include*," "*includes*," and "*including*" will be deemed to be followed by "*without limitation*." Pronouns in masculine, feminine, and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires. The words "*this Exchange Agreement*," "*herein*," "*hereof*," "*hereby*," "*hereunder*," and words of similar import refer to this Exchange Agreement as a whole and not to any particular subdivision unless expressly so limited. The parties hereto intend that each representation, warranty, and covenant contained herein will have independent significance. If any party hereto has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which such party hereto has not breached will not detract from or mitigate the fact that such party hereto is in breach of the first representation, warranty, or covenant. All references in this Exchange Agreement to numbers of shares, per share amounts and purchase prices shall be appropriately adjusted to reflect any stock split, stock dividend, stock combination, recapitalization or the like occurring after the date hereof. As used in this Exchange Agreement, the term: (x) "person" shall refer to any individual, corporation, partnership, trust, limited liability company or other entity or association, including any governmental or regulatory body, whether acting in an individual, fiduciary or any other capacity; and (y) "affiliate" shall mean, with respect to any specified person, any other person or group of persons acting together that, directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with such specified person (where the term "control" (and any correlative terms) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise). For the avoidance of doubt, any reference in this Exchange Agreement to an affiliate of the Company will, prior to the Closing, include the Company's sponsor, ROC Energy Holdings, LLC.

7.17 Mutual Drafting. This Exchange Agreement is the joint product of Exchangor and the Company and each provision hereof has been subject to the mutual consultation, negotiation and agreement of such parties and shall not be construed for or against any party hereto.

7.18 Remedies.

7.18.1 The parties agree that the irreparable damage would occur if this Exchange Agreement was not performed in accordance with its specific terms or was otherwise breached and that money damages or other legal remedies would not be an adequate remedy for any such damage. It is accordingly agreed that the parties hereto shall be entitled to equitable relief, including in the form of an injunction or injunctions, to prevent breaches or threatened breaches of this Exchange Agreement and to enforce specifically the terms and provisions of this Exchange Agreement in an appropriate court of competent jurisdiction as set forth in Section 7.9, this being in addition to any other remedy to which any party is entitled at law or in equity, including money damages. The right to specific enforcement shall include the right of the parties hereto to cause to cause the other parties hereto to cause the transactions contemplated hereby to be consummated on the terms and subject to the conditions and limitations set forth in this Exchange Agreement. The parties

hereto further agree (i) to waive any requirement for the security or posting of any bond in connection with any such equitable remedy, (ii) not to assert that a remedy of specific enforcement pursuant to this Section 7.18 is unenforceable, invalid, contrary to applicable law or inequitable for any reason and (iii) to waive any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

7.18.2 The parties acknowledge and agree that this Section 7.18 is an integral part of the transactions contemplated hereby and without that right, the parties hereto would not have entered into this Exchange Agreement.

7.18.3 In any dispute arising out of or related to this Exchange Agreement, or any other agreement, document, instrument or certificate contemplated hereby, or any transactions contemplated hereby or thereby, the applicable adjudicating body shall award to the prevailing party, if any, the documented and out-of-pocket costs and external attorneys' fees reasonably incurred by the prevailing party in connection with the dispute and the enforcement of its rights under this Exchange Agreement or any other agreement, document, instrument or certificate contemplated hereby and, if the adjudicating body determines a party to be the prevailing party under circumstances where the prevailing party won on some but not all of the claims and counterclaims, the adjudicating body may award the prevailing party an appropriate percentage of the documented out-of-pocket costs and external attorneys' fees reasonably incurred by the prevailing party in connection with the adjudication and the enforcement of its rights under this Exchange Agreement or any other agreement, document, instrument or certificate contemplated hereby or thereby.

8. Disclosure.

8.1 The Company shall include disclosure of this Exchange Agreement on the Super 8-K filed by the Company in relation to the Transaction Closing, and a form of this Exchange Agreement will be filed with the Commission as an exhibit thereto. From and after such disclosure, the Company represents to Exchangor that it shall have publicly disclosed all material, non-public information delivered to Exchangor by the Company, Target or any of their officers, directors, employees or agents in connection with the transactions contemplated by this Exchange Agreement and the Transaction Agreement, and Exchangor shall no longer be subject to any confidentiality or similar obligations under any current agreement, whether written or oral with Company, the Placement Agent or any of their affiliates, relating to the transactions contemplated by this Exchange Agreement.

8.2 Exchangor hereby consents to the publication and disclosure in (x) any Form 8-K filed by the Company with the Commission in connection with the execution and delivery of the Transaction Agreement or this Exchange Agreement or the Subscription Agreements and any filing with the Commission made in connection therewith, including any proxy statement, prospectus or registration statement related thereto or any other filing with the Commission pursuant to applicable securities laws, and (y) any other documents or communications, including press-releases, provided by the Company in connection with the execution and delivery of the Transaction Agreement or this Exchange Agreement or the Subscription Agreements, the nature of Exchangor's commitments, arrangements and understandings under and relating to this Exchange Agreement and, if deemed required or appropriate by the Company, a copy of this Exchange Agreement but in each case solely to the extent disclosure is required by law, the Commission or other regulatory agency or Nasdaq.

9. Founder Share Forfeiture. From the date of this Exchange Agreement and through the Effective Time, Sponsor shall cause the shares of Common Stock subject to the PIPE Founder Share Forfeiture to continue to be held in escrow pursuant to the terms of that certain Stock Escrow Agreement, dated as of December 1, 2021 by and among Company, Sponsor and Continental Stock Transfer & Trust Company, as amended from time to time (the "**Stock Escrow Agreement**"), and notwithstanding anything to the contrary in the Stock Escrow Agreement, except to forfeit such shares of Common Stock to Company as required pursuant to the provisions of this Section 9, Sponsor shall not transfer such shares. At the Closing, in addition to any shares of Common Stock that Sponsor is required to forfeit pursuant to the Transaction Agreement, the Sponsor Support Agreement or any Subscription Agreement, Sponsor shall forfeit to the Company the shares of Common Stock subject to the PIPE Founder Share Forfeiture.

10. Trust Account Waiver. Exchangor acknowledges that the Company is a blank check company with the powers and privileges to effect a merger, asset acquisition, reorganization or similar business combination involving the Company and one or more businesses or assets. Exchangor further acknowledges that, as described in the Prospectus available at www.sec.gov, substantially all of the Company's assets consist of the cash proceeds of Company's initial public offering (including overallotment securities sold by the Company's underwriter thereafter) and private placements of its securities, and substantially all of those proceeds have been deposited in a trust account (the "**Trust Account**") for the benefit of Company, its public shareholders and the underwriters of Company's initial public offering. Except with respect to interest earned on the funds held in the Trust Account that may be released to Company to pay its tax obligations, if any, the cash in the Trust Account may be disbursed only for the purposes set forth in the Prospectus. For and in consideration of the Company entering into this Exchange Agreement, the receipt and sufficiency of which are hereby acknowledged, Exchangor, on behalf of itself and its representatives, hereby irrevocably waives any and all right, title and interest, or any claim of any kind they now have or may have in the future, in or to any monies held in the Trust Account or distributions therefrom to the Company's public stockholders, and agrees not to seek recourse against the Trust Account for any claims in connection with, as a result of, or arising out of, this Exchange Agreement or the transactions contemplated hereby; *provided*, *however*, that nothing in this Section 10 (x) shall serve to limit or prohibit Exchangor's right to pursue a claim against Company for legal relief against assets held outside the Trust Account (other than distributions to the Company's public stockholders), for specific performance or other equitable relief, (y) shall serve to limit or prohibit any claims that Exchangor may have in the future against Company's assets or funds that are not held in the Trust Account (including any funds that have been released from the Trust Account (other than distributions to the Company's public stockholders) and any assets that have been purchased or acquired with any such funds) or (z) shall be deemed to limit any Exchangor's right, title, interest or claim to the Trust Account by virtue of such Exchangor's record or beneficial ownership of securities of the Company acquired by any means other than pursuant to this Exchange Agreement, including but not limited to any redemption right with respect to any such securities of the Company.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, each of the Company, Sponsor, Merger Sub, Target, and Exchangor has executed or caused this Exchange Agreement to be executed by its duly authorized representative as of the date first set forth above.

ROC ENERGY ACQUISITION CORP.

By: _____
Name:
Title:

ROC ENERGY HOLDINGS, LLC

By: _____
Name:
Title:

ROC MERGER SUB, INC.

By: _____
Name:
Title:

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.

By: _____
Name:
Title:

[Signature page to Exchange Agreement]

Accepted and agreed as of the date first set forth above.

EXCHANGOR:

Name of Exchangor:

{Please print}

Signature of Exchangor:

By: _____
Name:
Title:

Name of Joint Exchangor, if applicable

{Please print}

Signature of Joint Exchangor, if applicable:

By: _____
Name:
Title:

If there are joint investors, please check one:

- Joint Tenants with Rights of Survivorship
- Community Property
- Tenants-in-Common

Exchangor's EIN / SSN:_____

Joint Exchangor's EIN / SSN:

Business Address-Street:

City, State, Zip:

Attn:

Telephone No.:

Facsimile No:

Email Address:

Mailing Address-Street (if different):

City, State, Zip:

Attn:

Telephone No.:

Facsimile No:

Email Address:

Specified Preferred Cash Consideration Amount: $_____

Number of shares of Company Preferred Stock owned by Exchangor: _____

Number of shares of Common Stock to be received as Securities: _____

If Exchangor wants certificated Securities rather than book-entry form, indicate here: _____

[Signature page to Exchange Agreement]

SCHEDULE A
ELIGIBILITY REPRESENTATIONS OF EXCHANGOR

This Schedule A should be completed by Exchangor and constitutes a part of the Exchange Agreement.

A. QUALIFIED INSTITUTIONAL BUYER STATUS

(Please check the applicable subparagraphs):

1. ☐ Exchangor is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") (a "QIB")).

2. ☐ Exchangor is acquiring the Securities as a fiduciary or agent for one or more investor accounts, and each owner of such account is a QIB.

*** OR ***

B. ACCREDITED INVESTOR STATUS

(Please check the applicable subparagraphs):

1. ☐ Exchangor is an "accredited investor" (within the meaning of Rule 501(a) under the Securities Act), and have marked and initialed the appropriate box on the following page indicating the provision under which we qualify as an "accredited investor."

*** AND ***

C. AFFILIATE STATUS

(Please check the applicable box) EXCHANGOR:

☐ is:

☐ is not

an "affiliate" (as defined in Rule 144 under the Securities Act) of the Company or acting on behalf of an affiliate of the Company.

Rule 501(a), in relevant part, states that an "accredited investor" shall mean any person who comes within any of the below listed categories, or who the issuer reasonably believes comes within any of the below listed categories, at the time of the sale of the securities to that person. Exchangor has indicated, by marking and initialing the appropriate box below, the provision(s) below which apply to Exchangor and under which Exchangor accordingly qualifies as an "accredited investor."

☐ Any bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

☐ Any broker or dealer registered pursuant to section 15 of the Exchange Act;

☐ Any investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state;

☐ Any investment adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act of 1940;

☐ Any insurance company as defined in section 2(a)(13) of the Securities Act;

☐ Any investment company registered under the Investment Company Act or a business development company as defined in section 2(a) (48) of the Investment Company Act;

☐ Any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

☐ Any Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act;

☐ Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

☐ Any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), if (i) the investment decision is made by a plan fiduciary, as defined in section 3(21) of ERISA, which is either a bank, a savings and loan association, an insurance company, or a registered investment adviser, (ii) the employee benefit plan has total assets in excess of $5,000,000 or, (iii) the plan is a self-directed plan, with investment decisions made solely by persons that are "accredited investors";

☐ Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

☐ Any (i) corporation, limited liability company or partnership, (ii) Massachusetts or similar business trust, or (iii) organization described in section 501(c)(3) of the Internal Revenue Code, in each case that was not formed for the specific purpose of acquiring the securities offered and that has total assets in excess of $5,000,000;

☐ Any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose Exchange is directed by a sophisticated person as described in section 230.506(b)(2)(ii) of Regulation D under the Securities Act;

☐ Any entity, other than an entity described in the categories of “accredited investors” above, not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000;

☐ Any “family office,” as defined under the Investment Advisers Act that satisfies all of the following conditions: (i) with assets under management in excess of $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment;

☐ Any “family client,” as defined under the Investment Advisers Act, of a family office meeting the requirements in the previous paragraph and whose prospective investment in the issuer is directed by such family office pursuant to the previous paragraph; or

☐ Any entity in which all of the equity owners are accredited investors.

☐ I have an individual net worth, or joint net worth with my spouse or spousal equivalent, of more than $1,000,000 exclusive of the value of my primary residence.

(For purposes of determining net worth, exclude the value of your primary residence as well as the amount of indebtedness secured by your primary residence, up to the fair market value. Any amount in excess of the fair market value of your primary residence must be included as a liability. In the event the indebtedness on your primary residence was increased in the 60 days preceding the completion of this Exchange Agreement, the amount of the increase must be included as a liability in the net worth calculation. For this purpose, “joint net worth” can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard described herein does not require that the securities be purchased jointly. For this purpose, “spousal equivalent” means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

☐ I have an individual income in excess of $200,000, or joint income with my spouse or spousal equivalent in excess of $300,000, in each of the 2 most recent years and I have a reasonable expectation of reaching the same income level in the current year.

☐ I hold, in good standing, 1 or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status and which the SEC has posted as qualifying. (For this purpose, the SEC has posted the following qualifying professional certifications: holders in good standing of FINRA Series 7, Series 65, and Series 82 licenses.)

Exhibit 10.4

FIRST AMENDMENT TO SPONSOR SUPPORT AGREEMENT

This First Amendment to Sponsor Support Agreement (this "Amendment"), dated as of June 20, 2023, is entered into by and among Drilling Tools International Holdings, Inc., a Delaware corporation (the "Company"), ROC Energy Acquisition Corp., a Delaware corporation ("Acquiror"), and ROC Energy Holdings, LLC, a Delaware limited liability company (the "Sponsor"). Except as otherwise indicated, capitalized terms used but not defined herein shall have the meanings set forth in the Sponsor Support Agreement (as defined below).

RECITALS

WHEREAS, Acquiror, ROC Merger Sub, Inc., a Delaware corporation, and the Company are parties to that certain Agreement and Plan of Merger, dated as of February 13, 2023, as amended by the First Amendment to Agreement and Plan of Merger dated June 5, 2023 (as so amended, the "Merger Agreement");

WHEREAS, the Company, Acquiror and Sponsor are party to that certain Sponsor Support Agreement, dated as of February 13, 2023 (the "Sponsor Support Agreement");

WHEREAS, Section 6.4 of the Sponsor Support Agreement incorporates by reference into the Sponsor Support Agreement the provisions of Article XI of the Merger Agreement, including Section 11.10 that provides that the agreement may be amended or modified in whole or in part only by a duly authorized agreement in writing executed by each of the parties thereto in the same manner as the agreement and which makes reference to the agreement; and

WHEREAS, the Company, Acquiror and Sponsor desire to amend the Sponsor Support Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth in this Amendment, and intending to be legally bound hereby, the Company, Acquiror and Sponsor agree as follows:

1. Amendment to Recitals. The third and fourth recitals regarding the PIPE Founder Share Forfeiture and the sharing of Founder Shares based on Public Share Redemptions are hereby deleted in their entirety and replaced with the following:

> "**WHEREAS**, in order to induce the Company to consummate the transactions contemplated by the Merger Agreement, Sponsor has agreed to forfeit 1,775,084 Founder Shares, and Acquiror will issue an equal number of shares of PubCo Common Stock to the Company Stockholders, with such shares received by Company Stockholders being treated as an adjustment to the merger consideration to be received by the Company Stockholders;"

3. Amendment of Section 4.8. Section 4.8 is hereby deleted in its entirety and replaced with the following: "Forfeited Founder Share Merger Consideration. At the Closing and immediately prior to the Effective Time, Sponsor shall forfeit, without any consideration, 1,775,084 Founder Shares to Acquiror, and Acquiror shall issue 1,775,084 shares of PubCo Common Stock to Company Stockholders pursuant to the Merger Agreement (the "***Forfeited Founder Share Merger Consideration***")."

4. No Further Amendment. Except as expressly and specifically set forth herein, the Sponsor Support Agreement is not otherwise being amended, modified or supplemented and all terms and provisions of the Sponsor Support Agreement are and shall remain in full force and effect in accordance with its terms and nothing contained herein or in any other communication prior to the execution and delivery hereof shall be construed as a waiver by, or consent from, any party hereto of any condition, any covenant or other provision of the Sponsor Support Agreement.

5. Governing Law; Jurisdiction; Waiver of Trial by Jury. The provisions of Sections 6.3 (Governing Law) of the Sponsor Support Agreement and Article XI of the Merger Agreement are hereby incorporated by reference as if set forth in full herein and shall apply hereto *mutatis mutandis*.

6. Captions; Counterparts. The captions in this Amendment are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Amendment. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[*signature page follows*]

IN WITNESS WHEREOF, the Company, Acquiror and Sponsor have caused this Amendment to be executed and delivered as of the date first written above.

ROC ENERGY ACQUISITION CORP.

By: /s/ Daniel Jeffrey Kimes
Name: Daniel Jeffrey Kimes
Title: Chief Executive Officer

ROC ENERGY HOLDINGS, LLC

By: /s/ Joseph Drysdale
Name: Joseph Drysdale
Title: Managing Member

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.

By: /s/ R. Wayne Prejean
Name: R. Wayne Prejean
Title: Chief Executive Officer

[Signature page to First Amendment to Sponsor Support Agreement]

Exhibit 10.5

AMENDED AND RESTATED

REVOLVING CREDIT, SECURITY
AND
GUARANTY AGREEMENT

PNC BANK, NATIONAL ASSOCIATION
(AS LENDER AND AS AGENT)

WITH

DRILLING TOOLS INTERNATIONAL, INC.

AND

CERTAIN OF ITS SUBSIDIARIES

(BORROWERS)

DRILLING TOOLS INTERNATIONAL CORPORATION (f/k/a ROC ENERGY ACQUISITION CORP.)

AND

CERTAIN OF ITS SUBSIDIARIES

(GUARANTORS)

June 20, 2023

AMENDED AND RESTATED REVOLVING CREDIT, SECURITY AND GUARANTY AGREEMENT

Amended and Restated Revolving Credit, Security and Guaranty Agreement (this "Agreement") dated as of June 20, 2023, among DRILLING TOOLS INTERNATIONAL, INC., a Louisiana corporation ("DTI"), REAMCO, INC., a Louisiana corporation ("Reamco"), DRILLING TOOLS INTERNATIONAL CORP., a Canadian federal corporation ("DTI Canada"), PREMIUM TOOLS LLC, a Delaware limited liability company ("Premium Tools"), DOWNHOLE INSPECTION SOLUTIONS LLC (f/k/a DH INSPECTION SOLUTIONS, LLC), a Texas limited liability company ("DH Inspection"), SLICK TOOLS INTERNATIONAL LLC (F/K/A STINGER OIL TOOLS, LLC), a Texas limited liability company ("Slick Tools"), DATA AUTOMATION TECHNOLOGY LLC, a Texas limited liability company ("DAT"), DRILLING TOOLS SERVICES, INC., a Delaware corporation ("DTS"; collectively, together with DTI, Reamco, DTI Canada, Premium Tools, DH Inspection, Slick Tools, DAT and each other Person joined to this Agreement as a borrower from time to time, each a "Borrower" and collectively, the "Borrowers"), DRILLING TOOLS INTERNATIONAL CORPORATION (f/k/a ROC Energy Acquisition Corp.), a Delaware corporation ("Parent"), DRILLING TOOLS INTERNATIONAL HOLDINGS, INC., a Delaware corporation ("Holdings"; collectively, together with Parent and each other Person joined to this Agreement as a guarantor from time to time, each a "Guarantor" and collectively, the "Guarantors"), PNC BANK, NATIONAL ASSOCIATION ("PNC"), as a lender and the financial institutions which are now or which hereafter become a party hereto (collectively, together with PNC, the "Lenders" and each individually a "Lender"), and PNC, as agent for the Lenders (PNC, in such capacity, together with its successors and assigns in such capacity, the "Agent").

IN CONSIDERATION of the mutual covenants and undertakings herein contained, Borrowers, Guarantors, Lenders and Agent hereby agree as follows:

I. DEFINITIONS.

1.1 Accounting Terms. As used in this Agreement, the Other Documents or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.2 or elsewhere in this Agreement and accounting terms partly defined in Section 1.2 to the extent not defined, shall have the respective meanings given to them under GAAP; *provided*, *however*, whenever such accounting terms are used for the purposes of determining compliance with financial covenants in this Agreement, such accounting terms shall be defined in accordance with GAAP as applied in preparation of the audited financial statements of the applicable Credit Parties for the fiscal year ended December 31, 2022 (except as provided in the last sentence of this Section 1.1). If there occurs after the Restatement Date any change in GAAP that affects in any respect the calculation of any covenant contained in this Agreement or the definition of any term defined under GAAP used in such calculations, Agent, Lenders and Credit Parties shall negotiate in good faith to amend the provisions of this Agreement that relate to the calculation of such covenants with the intent of having the respective positions of Agent, Lenders and Credit Parties after such change in GAAP conform as nearly as possible to their respective positions as of the Restatement Date; provided, that, until any such amendments have been agreed upon, the covenants in this Agreement shall be calculated as if no such change in

GAAP had occurred and Credit Parties shall provide additional financial statements or supplements thereto, attachments to Compliance Certificates and/or calculations regarding financial covenants as Agent may reasonably require in order to provide the appropriate financial information required hereunder with respect to Credit Parties both reflecting any applicable changes in GAAP and as necessary to demonstrate compliance with the financial covenants before giving effect to the applicable changes in GAAP. All obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the effectiveness of FASB ASC 842 shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with FASB ASC 842 (on a prospective or retroactive basis or otherwise) to be treated as Capitalized Lease Obligations in the financial statements.

1.2 General Terms. For purposes of this Agreement the following terms shall have the following meanings:

"Accountants" shall have the meaning set forth in Section 9.7 hereof.

"Acquisition" shall mean 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 a Person, or of any line of business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger, consolidation, amalgamation or any other combination with another Person (other than a merger, consolidation, amalgamation or other combination of any Person that is already a Credit Party or a Subsidiary of a Credit Party into any Credit Party or a Subsidiary of any Credit Party provided that if a Credit Party is a party to such transaction, a Credit Party shall survive such transaction and if any Borrower is a party to such transaction, such Borrower shall survive such transaction).

"Adjusted EBITDA" shall mean, for any period, the sum of EBITDA for such period plus, (a) to the extent a Permitted Acquisition or Investment permitted hereunder has been consummated during such period, Pro Forma EBITDA attributable to such Permitted Acquisition or Investment (but only that portion of Pro Forma EBITDA attributable to the portion of such period that occurred prior to the date of consummation of such Permitted Acquisition or Investment) calculated in a manner reasonably satisfactory to Agent; provided that for any Permitted Acquisition the total costs and liabilities (including without limitation, all assumed liabilities, all earn-out payments, deferred payments and the value of any other stock or assets transferred, assigned or encumbered with respect to such Permitted Acquisition) of which equals or exceeds $15,000,000 such Pro Forma EBITDA shall be determined in accordance with a quality of earnings report in form and substance reasonably satisfactory to Agent, plus (b) certain non-recurring charges related to severance obligations of Credit Parties not to exceed $500,000 in the aggregate, plus (c) fees, expenses, costs, and other charges related to or incurred in connection with (i) any Permitted Acquisition (regardless of whether such Acquisition is consummated), (ii) this Agreement and any amendment, waiver, consent, or other modification thereto, and (iii) the transactions contemplated by the ROC Merger Agreement, in each case, (x) with respect to (1) the ROC Merger Agreement transactions, paid on the Restatement Date, and (2) any Permitted Acquisition, paid within ninety (90) days (or such longer period as Agent may approve, such approval not to be unreasonably

withheld, conditioned, or delayed) of such acquisition or merger (in the case of an acquisition or merger) and (y) in an amount not to exceed, (A) in the case of this Agreement, $500,000, (B) in the case of any Permitted Acquisition and/or amendment, waiver, consent, or other modification to this Agreement, an amount not to exceed ten percent (10%) of EBITDA for such period, and (C) in the case of the ROC Merger Agreement, the Specified ROC Merger Costs, plus (d) equity compensation expenses which do not represent a cash item in such period or any future period, plus (e) non-cash items for impairment charges and purchase accounting charges during such period, in an amount not to exceed $10,000,000 in the aggregate during any fiscal quarter unless approved by Agent in writing, plus (f) fees, expenses and indemnifications permitted hereunder to be paid under the Management Agreement and actually paid in cash during such period in an aggregate amount not to exceed $1,000,000, plus (g) non-operational miscellaneous expenses (including currency exchange fees) during such period, in an aggregate amount not to exceed $1,000,000 per annum, less (h) non-operational miscellaneous income during such period, less (i) the amount of all gains (or plus the amount of all losses) realized during such period upon the sale or other disposition of property or assets that are sold or otherwise disposed of outside the ordinary course of business during such period.

"Advance Rates" shall have the meaning set forth in Section 2.1(a)(y)(v) hereof.

"Advances" shall mean and include the Revolving Advances and Letters of Credit.

"Affected Lender" shall have the meaning set forth in Section 3.11 hereof.

"Affiliate" of any Person shall mean (a) any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director, manager, member, managing member, general partner or senior officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (x) to vote fifteen percent (15%) or more of the Equity Interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for any such Person, or (y) to direct or cause the direction of the management and policies of such Person whether by ownership of Equity Interests, contract or otherwise. Notwithstanding the foregoing, and except with respect to the definition of Eligible Receivables, the term "Affiliate" shall not include any of the portfolio companies of any Sponsor.

"Agent" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and permitted assigns.

"Agreement" shall mean this Amended and Restated Revolving Credit, Security and Guaranty Agreement, as the same may be amended, amended and restated, restated, replaced and restated, extended, supplemented and/or otherwise modified from time to time.

"Alternate Base Rate" shall mean, for any day, a rate per annum equal to the highest of (i) the Base Rate in effect on such day, (ii) the sum of the Overnight Bank Funding Rate in effect on such day plus one half of one percent (0.5%), and (iii) the sum of Daily Simple SOFR in effect on such day plus one percent (1.0%), so long as Daily Simple SOFR is offered, ascertainable and not unlawful; ***provided***, ***however***, if the Alternate Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. Any change in the Alternate Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs.

"Alternate Source" shall have the meaning set forth in the definition of Overnight Bank Funding Rate.

"Anti-Terrorism Laws" shall mean any Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

"Applicable Law" shall mean all laws, rules and regulations applicable to the Person, conduct, transaction, covenant, Other Document or contract in question, including all applicable common law and equitable principles; all provisions of all applicable state, provincial, federal and foreign constitutions, statutes, rules, regulations, treaties, directives and orders of any Governmental Body, and all orders, judgments and decrees of all courts and arbitrators having the force of law.

"Applicable Margin" shall mean, (a) as of the Restatement Date, Level III and (b) effective as of the first Business Day following the date on which Agent receives the quarterly (or annual, as applicable) financial statements of Parent and related Compliance Certificate, commencing with the financial statements of the applicable Credit Parties delivered for the fiscal quarter ending June 30, 2023, as required under Section 9.8 (or Section 9.7, as applicable) (each such first day of the applicable calendar quarter an "Adjustment Date"), the Applicable Margin for each type of Revolving Advance shall be adjusted, if necessary, to the applicable amount of percentage points set forth in the pricing table below corresponding to the Fixed Charge Coverage Ratio as of the last day of any Computation Period:

Level	Fixed Charge Coverage Ratio	Term SOFR Rate Loan Margin	Domestic Rate Loan Margin
I.	Less than 1.25 to 1.00	4.00%	3.00%
II.	Greater than or equal to 1.25 to 1.00 but less than or equal to 1.50 to 1.00	3.50%	2.50%
III.	Greater than 1.50 to 1.00	3.00%	2.00%

If the Credit Parties shall fail to deliver the financial statements and Compliance Certificates required under Section 9.8 (or Section 9.7, as applicable) by the dates required pursuant to such sections, each Applicable Margin shall be conclusively presumed to equal the highest Applicable Margin specified in the pricing table set forth above until the date of delivery of such financial statements and Compliance Certificate, at which time the Applicable Margin will be adjusted based upon the Fixed Charge Coverage Ratio reflected in such statements.

If, as a result of any restatement of or other adjustment to the financial statements of the Credit Parties or for any other reason, Agent determines that (a) the Fixed Charge Coverage Ratio as calculated by Credit Parties as of any applicable date was inaccurate and (b) a proper calculation of the Fixed Charge Coverage Ratio would have resulted in different pricing for any period, then (i) if the proper calculation of the Fixed Charge Coverage Ratio would have resulted in higher pricing for such period, Borrowers shall automatically and retroactively be obligated to pay to Agent, for the benefit of the applicable Lenders, promptly on demand by Agent, an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period; and (ii) if the proper calculation of the Fixed Charge Coverage Ratio would have resulted in lower pricing for such period, neither Agent nor any Lender shall have any obligation to repay any interest or fees to Borrowers.

"Approved Electronic Communication" shall mean each notice, demand, communication, information, document and other material transmitted, posted or otherwise made or communicated by e-mail, E-Fax, the Credit Management Module of PNC's PINACLE® system, or any other equivalent electronic service agreed to by Agent, whether owned, operated or hosted by Agent, any Lender, any of their Affiliates or any other Person, that any party is obligated to, or otherwise chooses to, provide to Agent pursuant to this Agreement or any Other Document, including any financial statement, financial and other report, notice, request, certificate and other information material; provided that Approved Electronic Communications shall not include any notice, demand, communication, information, document or other material that Agent specifically instructs a Person to deliver in physical form.

"Authorized Officer" of any Person shall mean the Chairman, Chief Financial Officer, President, Chief Executive Officer, Chief Operating Officer, VP – Finance, Treasurer, Director of Accounting, Controller, or other authorized officer of such Person approved by Agent.

"Base Rate" shall mean the base commercial lending rate of PNC as publicly announced to be in effect from time to time, such rate to be adjusted automatically, without notice, on the effective date of any change in such rate. This rate of interest is determined from time to time by PNC as a means of pricing some loans to its customers and is neither tied to any external rate of interest or index nor does it necessarily reflect the lowest rate of interest actually charged by PNC to any particular class or category of customers of PNC.

"Beneficial Owner" shall mean, for each Credit Party, each of the following: (a) each individual, if any, who, directly or indirectly, owns 25% or more of such Credit Party's Equity Interests; and (b) a single individual with significant responsibility to control, manage, or direct such Credit Party.

"Benefited Lender" shall have the meaning set forth in Section 2.5(e) hereof.

"Blocked Account Bank" shall have the meaning set forth in Section 4.8(h) hereof.

"Bloomberg" shall mean Bloomberg Index Services Limited (or a successor administrator).

"Borrower" or "Borrowers" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

"Borrowers' Account" shall have the meaning set forth in Section 2.9 hereof.

"Borrowing Agent" shall mean DTI.

"Borrowing Base Certificate" shall mean a certificate in substantially the form of Exhibit 1.2(a) duly executed by an Authorized Officer of the Borrowing Agent and delivered to Agent, appropriately completed, by which such Authorized Officer shall certify to Agent the Formula Amount and calculations thereof as of the date of such certificate, and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement.

"Business" shall mean those certain lines of business as conducted by the Credit Parties and their Subsidiaries as of the Restatement Date which are described on Schedule 1.2(a) hereof and lines reasonably related thereto or logical extensions thereof.

"Business Day" shall mean any day other than Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by Law to be closed for business in East Brunswick, New Jersey; provided that when used in connection with an amount that bears interest at a rate based on SOFR or any direct or indirect calculation or determination of SOFR, the term "Business Day" shall mean any such day that is also a U.S. Government Securities Business Day.

"Canadian Benefit Plan" shall mean any plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing material employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which any Credit Party has any liability with respect to any employee or former employee, but excluding any Canadian Pension Plan.

"Canadian Borrower" or "Canadian Borrowers" shall mean DTI Canada and any other Borrower formed under the laws of Canada or any Province thereof and joined to this Agreement as a Borrower from time to time, collectively, and shall extend to all permitted successors and assigns of such Persons.

"Canadian Pension Plan" shall mean each pension plan required to be registered under Canadian federal or provincial law that is maintained or contributed to by a Credit Party for its employees or former employees, but does not include the Canada Pension Plan as maintained by the Government of Canada or the Quebec Pension Plan as maintained by the Province of Quebec.

"Canadian Pension Termination Event" shall mean (a) the voluntary full or partial wind up of a Canadian Pension Plan that is a registered pension plan by a Credit Party; (b) the institution of proceedings by any Governmental Body to terminate in whole or in part or have a trustee appointed to administer such a plan; or (c) any other event or condition which might constitute grounds for the termination of, winding up or partial termination of, winding up or the appointment of trustee to administer, any such plan.

"Capital Expenditures" shall mean all expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements which have a useful life of more than one (1) year, including the total principal portion of Capitalized Lease Obligations, which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of any Person, but excluding Permitted Acquisitions and Permitted Investments.

"Capitalized Lease Obligations" shall mean, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

"Cash Dominion Period" shall mean each period (a) commencing upon the (i) occurrence of an Event of Default, or (ii) Undrawn Availability being less than fifteen percent (15%) of the lesser of the (x) Maximum Revolving Advance Amount and (y) Formula Amount, and (b) ending on the first date thereafter on which (i) such Event of Default has been waived in accordance with the terms hereof, if such Cash Dominion Period commenced due to the occurrence of an Event of Default, or (ii) Undrawn Availability for the thirty (30) consecutive days most recently ended was equal to or greater than fifteen percent (15%) of the lesser of the (x) Maximum Revolving Advance Amount and (y) Formula Amount.

"Cash Management Liabilities" shall have the meaning provided in the definition of "Cash Management Products and Services."

"Cash Management Products and Services" shall mean agreements or other arrangements under which Agent or any Lender or any Affiliate of Agent or a Lender provides or arranges for the provision of any of the following products or services to any Credit Party: (a) credit cards; (b) credit card processing services; (c) debit cards and stored value cards; (d) commercial cards; (e) ACH transactions; and (f) cash management and treasury management services and products, including without limitation controlled disbursement accounts or services, lockboxes, automated clearinghouse transactions, overdrafts, interstate depository network services. The indebtedness, obligations and liabilities of any Credit Party to the provider of any Cash Management Products and Services (including all obligations and liabilities owing to such provider in respect of any returned items deposited with such provider) (the "Cash Management Liabilities") shall be "Obligations" hereunder, guaranteed obligations under the Guaranty and secured obligations under any Guarantor Security Agreement or Security Agreement, as applicable, and otherwise treated as Obligations for purposes of each of the Other Documents. The Liens securing the Cash Management Products and Services shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5.

"CEA" shall mean the Commodity Exchange Act (7 U. S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq.

"Certificate of Beneficial Ownership" shall mean, for each Credit Party, a certificate in form and substance acceptable to Agent (as Agent's form may be amended or modified by Agent from time to time in its sole discretion), certifying as to the Beneficial Owner of such Credit Party.

"CFTC" shall mean the Commodity Futures Trading Commission.

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

"Change of Control" shall mean:

(a) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934 as in effect on the Restatement Date, but excluding any employee benefit plan of such Person or its Subsidiaries, and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than Sponsor or any of its Investment Affiliates shall have acquired in the aggregate more than thirty five percent (35%) of the Equity Interests of Parent entitled to vote in the election of members of the board of directors (or equivalent governing body) of the Parent;

(b) Parent shall cease to, directly or indirectly, own and control 100% of each class of the outstanding Equity Interests of Holdings; or

(c) Holdings shall cease to, directly or indirectly, own and control 100% of each class of the outstanding Equity Interests of DTI and each other Credit Party (other than Parent and Holdings).

"Charges" shall mean all taxes, charges, fees, imposts, levies or other assessments, including all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation and property taxes, custom duties, fees, assessments, liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including the Pension Benefit Guaranty Corporation, or any like applicable Canadian authority in any applicable jurisdiction, or any environmental agency or superfund), upon the Collateral, any Credit Party or any of its Subsidiaries.

"CIP Regulations" shall have the meaning set forth in Section 14.12 hereof.

"Closing Date" shall mean December 29, 2015 or such other date as may be agreed to by the parties hereto.

"Code" shall mean the Internal Revenue Code of 1986, and, with respect to any Canadian Borrower, the ITA, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

"Collateral" shall mean and include all right, title and interest of each Credit Party in all of the property and assets of such Credit Party, in each case whether now existing or hereafter arising or created and whether now owned or hereafter acquired and wherever located, including, without limitation:

(a) all Receivables and all supporting obligations relating thereto;

(b) all equipment and fixtures;

(c) subject to the limitations with respect to Subsidiary Stock, all general intangibles (including all payment intangibles and all software) and all supporting obligations related thereto and Intellectual Property;

(d) all Inventory;

(e) all Subsidiary Stock and other securities, investment property, and financial assets;

(f) all contract rights, rights of payment which have been earned under a contract rights, chattel paper (including electronic chattel paper and tangible chattel paper), commercial tort claims (whether now existing or hereafter arising); documents (including all warehouse receipts and bills of lading), deposit accounts, securities accounts, goods, instruments (including promissory notes), letters of credit (whether or not the respective letter of credit is evidenced by a writing) and letter-of-credit rights, cash, certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), security agreements, eminent domain proceeds, condemnation proceeds, tort claim proceeds and all supporting obligations;

(g) all ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by any Credit Party or in which it has an interest), computer programs, tapes, disks and documents, including all of such property relating to the property described in clauses (a) through (f) of this definition; and

(h) all proceeds and products of the property described in clauses (a) through (g) of this definition, in whatever form. It is the intention of the parties that if Agent shall fail to have a perfected Lien in any particular property or assets of any Credit Party for any reason whatsoever, but the provisions of this Agreement and/or of the Other Documents, together with all financing statements and other public filings relating to Liens filed or recorded by Agent against Credit Parties, would be sufficient to create a perfected Lien in any property or assets that such Credit Party may receive upon the sale, lease, license, exchange, transfer or disposition of such particular property or assets, then all such "proceeds" of such particular property or assets shall be included in the Collateral as original collateral that is the subject of a direct and original grant of a security interest as provided for herein and in the Other Documents (and not merely as proceeds (as defined in Article 9 of the Uniform Commercial Code or the PPSA, as applicable) in which a security interest is created or arises solely pursuant to Section 9-315 of the Uniform Commercial Code or the PPSA, as applicable).

Notwithstanding anything herein to the contrary, in no event shall the Collateral include any of the following (collectively, "Excluded Property"): (a) any Equipment or other fixed assets subject to a purchase money security interest or equipment lease permitted by the terms of this Agreement ("Encumbered Property") and general intangibles (other than any Receivable generated in connection with the ordinary course of such Encumbered Property), instrument or chattel paper related to such Encumbered Property in which any Credit Party has or hereafter acquires any right, title or interest, if and to the extent such Credit Party's right, title or interest in such Encumbered Property, general intangible (other than any Receivable generated in connection with the ordinary course of such Encumbered Property), instrument or chattel paper related to such Encumbered Property is subject to a contract, lease, permit, license, or license agreement the terms of which provide that the creation of a security interest in the right, title or interest of such Grantor in such Encumbered Property and general intangible (other than any Receivable generated in connection with the ordinary course of such Encumbered Property), instrument or chattel paper would be prohibited and would, in and of itself, cause or result in a default under such contract, lease, permit, license, or license agreement (a "Restriction"); *provided*, that the foregoing exclusions of this clause (a) shall not apply if (i) a consent to or waiver of such Restriction has been obtained that would permit Agent's security interest or lien to attach to such Encumbered Property and general intangibles, instrument or chattel paper related to such Encumbered Property notwithstanding such Restriction, or (ii) such Restriction would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of Article 9 of the Uniform Commercial Code, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity; *provided* further that immediately upon the ineffectiveness, lapse or termination of any such Restriction, the applicable Credit Party shall be deemed to have automatically granted a security interest in, all its rights, title and interests in and to such Encumbered Property and general intangibles, instrument or chattel paper related to such Encumbered Property as if such provision had never been in effect; (b) to the extent, if any, that, and solely during the period, if any, in which the grant of a security interest therein would impair the validity or enforceability of any registration that arises from such intent-to-use application under applicable federal law, the Collateral shall not include any intent-to-use United States trademark applications for which an amendment to allege use or statement of use has not been filed under 15 U.S.C. § 1051(c) or 15 U.S.C. § 1051(d), respectively, or if filed, has not been deemed in conformance with 15 U.S.C. § 1051(a) or examined and accepted, respectively, by the United States Patent and Trademark Office, *provided* that upon such filing and acceptance, such intent-to-use applications shall be included in the Collateral and automatically subject to the Lien granted herein; (c) any Equity Interests of Credit Parties in any joint venture not prohibited by the terms of this Agreement; (d) [reserved]; (e) [reserved]; (f) leasehold interests; (g) Deposit Accounts exclusively used in the ordinary course of business for current payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of any of the Credit Parties' employees, (h) any life insurance policy, and the proceeds thereof, established in connection with the Domino Repurchase Agreement; and (i) all Equity Interests in Specified Permitted Investments and the Specified Permitted Investments Account; provided, further, that no security documents governed by the laws of any jurisdiction other than a jurisdiction in which a Credit Party is organized shall be required.

"Commitment Transfer Supplement" shall mean a document in the form of Exhibit 17.3 hereto, properly completed and otherwise in form and substance satisfactory to Agent by which the Purchasing Lender purchases and assumes a portion of the obligation of Lenders to make Advances under this Agreement.

"Compliance Authority" shall mean each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Justice Department, and (f) the Government of Canada (including Global Affairs Canada and Foreign Affairs, Trade and Development Canada and Public Safety Canada).

"Compliance Certificate" shall mean a compliance certificate substantially in the form attached hereto as Exhibit 1.2(b) to be signed by an Authorized Officer of Borrowing Agent, which shall state that, based on an examination sufficient to permit such Authorized Officer to make an informed statement, no Default or Event of Default exists, or if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Credit Parties with respect to such default and, such certificate shall have appended thereto calculations which set forth Credit Parties' compliance with the requirements or restrictions imposed by Section 6.5.

"Computation Period" shall mean each period of four consecutive fiscal quarters of Parent ending on the last day of a fiscal quarter.

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

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Bodies and other third parties, domestic or foreign, necessary to carry on any Credit Party's business or necessary (including to avoid a conflict or breach under any agreement, instrument, other document, license, permit or other authorization) for the execution, delivery or performance of this Agreement or the Other Documents, including any Consents required under all applicable federal, state, provincial or other Applicable Law.

"Consigned Inventory" shall mean Inventory of any Borrower that is in the possession of another Person on a consignment, sale or return, or other basis that does not constitute a final sale and acceptance of such Inventory.

"Contingent Obligation" shall mean any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) any indebtedness, obligation or other liability of any other Person (other than trade payables of other Credit Parties in the ordinary course of business and by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person's obligation in respect of any Contingent Obligation shall (subject to any limitation set forth therein) be deemed to be the principal amount of the debt, obligation or other liability supported thereby.

"Contributing Foreign Subsidiary" shall mean any Foreign Subsidiary, which, as of the last day of the four-fiscal quarter period most recently ended for which financial statements have been delivered pursuant to Section 9.7 or 9.8, as the case may be, (a) contributes, individually, more than five percent (5.0%) of the Adjusted EBITDA for such four-fiscal quarter period or (b) owns directly or indirectly through its Subsidiaries, total assets exceeding five percent (5.0%) of the consolidated total assets of the Parent as of the last day of such four-fiscal quarter period.

"Control" shall mean the possession, directly or indirectly, of the power to vote 15% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Controlled Group" shall mean, at any time, each Credit Party and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with any Credit Party, are treated as a single employer under Section 414 of the Code.

"Covered Entity" shall mean each Credit Party, any Subsidiary of each Credit Party, any pledgor of Collateral, and each Person that, directly or indirectly, is in control of any of the foregoing Persons. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"Credit Parties" shall mean the Borrowers and the Guarantors, and "Credit Party" shall mean any of them.

"Credit Parties on a Consolidated Basis" shall mean the consolidation in accordance with GAAP of the accounts or other items of (i) Parent and any Subsidiary of Parent, when used in respect of any period occurring from June 30, 2023 and thereafter, and (ii) Holdings and any Subsidiary of Holdings, when used in respect of any period occurring prior to June 30, 2023.

"Customer" shall mean the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Borrower, pursuant to which such Borrower is to deliver any personal property or perform any services.

"Customs" shall have the meaning set forth in Section 2.12(b) hereof.

"Daily Simple SOFR" shall mean, for any day (a "SOFR Rate Day"), the interest rate per annum determined by the Agent by dividing (the resulting quotient rounded upwards, at the Agent's discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the "SOFR Determination Date") that is two (2) Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source identified by the Federal Reserve Bank of New York or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the SOFR Floor, then Daily Simple SOFR shall be deemed to be the SOFR Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of "SOFR"; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Borrowing Agent, effective on the date of any such change.

"DAT" shall have the meaning set forth in the preamble to this Agreement.

"Debt Payments" shall mean, for any period and without duplication, in each case, all cash actually expended by Parent and its Subsidiaries to make (a) interest payments on any Advances hereunder, plus (b) payments for all fees, commission and Charges set forth herein, plus (c) payments on Capitalized Lease Obligations, plus (d) payments with respect to any other Indebtedness (but excluding payments made against the principal balance of Revolving Advances).

"Default" shall mean an event, circumstance or condition which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 3.1 hereof.

"Defaulting Lender" shall mean any Lender that: (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Revolving Commitment Percentage of Advances, (ii) if applicable, fund any portion of its Participation Commitment in Letters of Credit or Swing Loans or (iii) pay over to Agent, Issuer, Swing Loan Lender or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including a particular Default or Event of Default, if any) has not been satisfied; (b) has notified Borrowers or Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including a particular Default or Event of Default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit; (c) has failed, within two (2) Business Days after request by Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Advances and, if applicable, participations in then outstanding Letters of Credit and Swing Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Agent's receipt of such certification in form and substance satisfactory to the Agent; (d) has become the subject of an Insolvency Event; or (e) has failed at any time to comply with the provisions of Section 2.5(e) with respect to purchasing participations from the other Lenders, whereby such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Lenders.

"Depository Accounts" shall have the meaning set forth in Section 4.8(h) hereof.

"Designated Lender" shall have the meaning set forth in Section 17.2(d) hereof.

"DH Inspection" shall have the meaning set forth in the preamble to this Agreement.

"Disqualified Equity Interests" shall mean any Equity Interests which, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable), or upon the happening of any event or condition, (a) mature or are mandatorily redeemable (other than for Equity Interests not constituting Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, or are redeemable at the option of the holder thereof (other than for Equity Interests not constituting Disqualified Equity Interests), in whole or in part, on or prior to the date that is the one hundred eighty (180) days following the last day of the Term (as in effect at the time of issuance), (b) are convertible into or exchangeable for (i) debt securities or (ii) any Equity Interests referred to in clause (a) above, in each case, at any time on or prior to the date that is the one hundred eighty (180) days following the last day of the Term (as in effect at the time of issuance), or (c) are entitled to receive scheduled dividends or distributions in cash prior to the date that is one hundred eighty (180) days following the last day of the Term (as in effect at the time of issuance); provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Parent or any Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Parent or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Disqualified Institutions" shall mean the Persons identified in writing to Agent by Borrowing Agent as such on or prior to the Restatement Date and any of the Affiliates of such Persons reasonably identifiable as an Affiliate thereof solely on the basis of the similarity of their names.

"Documents" shall have the meaning set forth in Section 8.1(j) hereof.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Rate Loan" shall mean any Advance that bears interest based upon the Alternate Base Rate.

"Domestic Subsidiaries" shall mean, with respect to any Person, any Subsidiary of such Person which is incorporated or organized under the laws of any state or territory of the United States or District of Columbia, other than any Subsidiary of a Credit Party that is a Foreign Holding Company.

"Domino Repurchase Agreement" means that certain Repurchase Agreement dated January 27, 2012, between Holdings and Michael Wayne Domino, Jr., as in effect on the date hereof.

"Drawing Date" shall have the meaning set forth in Section 2.13(b) hereof.

"DTI" shall have the meaning set forth in the preamble to this Agreement.

"DTI Canada" shall have the meaning set forth in the preamble to this Agreement.

"DTS" shall have the meaning set forth in the preamble to this Agreement.

"EBITDA" shall mean for any period and calculated with respect to the Credit Parties on a Consolidated Basis, the sum of (without duplication) (a) net income (or loss) for such period (excluding non-cash gains and non-cash losses), plus (b) all interest expense for such period (including, without limitation, all fees for the use of money or the availability of money, including commitment, facility and like fees and charges upon Indebtedness (including Indebtedness to the Lenders) paid or accrued during such period), plus (c) all charges against income for such period for federal and state taxes, plus (d) depreciation expenses for such period, plus (e) amortization expenses (including amortization of goodwill) for such period.

"Effective Date" means the date indicated in a document or agreement to be the date on which such document or agreement becomes effective, or, if there is no such indication, the date of execution of such document or agreement.

"Effective Federal Funds Rate" shall mean for any day the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and

announces the weighted average it refers to as the "Effective Federal Funds Rate" as of the date of this Agreement; provided that if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Effective Federal Funds Rate" for such day shall be the Effective Federal Funds Rate for the last day on which such rate was announced. Notwithstanding the foregoing, if the Effective Federal Funds Rate as determined under any method above would be less than zero percent (0.00%), such rate shall be deemed to be zero percent (0.00%) for purposes of this Agreement.

"Eligibility Date" shall mean, with respect to each Borrower and Guarantor and each Swap, the date on which this Agreement or any Other Document becomes effective with respect to such Swap (for the avoidance of doubt, the Eligibility Date shall be the Effective Date of such Swap if this Agreement or any Other Document is then in effect with respect to such Borrower or Guarantor, and otherwise it shall be the Effective Date of this Agreement and/or such Other Document(s) to which such Borrower or Guarantor is a party).

"Eligible Contract Participant" shall mean an "eligible contract participant" as defined in the CEA and regulations thereunder.

"Eligible Inventory" shall mean and include, with respect to each Borrower, Inventory (other than Rental Fleet Inventory), valued at the lower of cost or market value, determined on a first-in-first-out basis, which is not, in the exercise of the Agent's Permitted Discretion deemed to be, obsolete, slow moving or unmerchantable and which Agent, in its Permitted Discretion, shall not deem ineligible Inventory, based on such considerations as Agent may from time to time deem appropriate in its Permitted Discretion including whether the Inventory is subject to a perfected, first priority security interest in favor of Agent and no other Lien (other than a Permitted Encumbrance); provided, that the Agent shall not deem raw materials, bar stock and forgings ineligible under this definition solely because such Inventory has not been used within twelve-months of the acquisition thereof. In addition, Inventory shall not be Eligible Inventory if it: (a) does not conform in all material respects to all standards imposed by any Governmental Body which has regulatory authority over such goods or the use or sale thereof; (b) is in-transit within the United States or Canada; (c) is located outside the continental United States or Canada or at a location that is not otherwise in compliance with this Agreement; (d) constitutes Consigned Inventory; (e) is the subject of an Intellectual Property Claim; (f) is situated at a location not owned by a Borrower or an Account Debtor (as defined in the Uniform Commercial Code or the PPSA, as applicable) of Borrower unless the owner or occupier of such location has executed in favor of Agent a Lien Waiver Agreement (or Agent shall agree otherwise in its Permitted Discretion after establishing reserves against the Formula Amount with respect thereto as Agent shall deem appropriate in its sole discretion); or (g) or if the sale of such Inventory would result in an ineligible Receivable.

"Eligible Inventory Advance Rate" shall have the meaning set forth in Section 2.1(a)(iii) hereof.

"Eligible Receivables" shall mean and include with respect to each Borrower, each Receivable of such Borrower (other than Eligible Unbilled Receivables) arising in the Ordinary Course of Business and which Agent, in its Permitted Discretion, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate in its Permitted Discretion, including without limitation, at its request, receipt of field examinations and appraisals reasonably satisfactory to it with respect to any new Receivables acquired pursuant to a Permitted Acquisition. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent's first priority perfected security interest and no other Lien (other than Permitted Encumbrances), and is evidenced by an invoice or other evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

(a) it arises out of a sale made by any Borrower to an Affiliate of any Borrower or to a Person controlled by an Affiliate of any Borrower (excluding other portfolio companies of the Sponsor approved by Agent in its Permitted Discretion);

(b) it is due or unpaid more than ninety (90) days after the original invoice date or sixty (60) days after the original due date (or, in the case of an Extended Term Customer, (i) one hundred eighty (180) days after the original invoice date or (ii) one hundred fifty (150) days after the original due date);

(c) fifty percent (50%) or more of the Receivables from such Customer are not deemed Eligible Receivables or Eligible Unbilled Receivables hereunder;

(d) any covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached in any material respect;

(e) the Customer shall (i) apply for, suffer, or consent to the appointment of, or the taking of possession by, a receiver, receiver and manager, monitor, custodian, trustee or liquidator of itself or of all or a substantial part of its property or call a meeting of its creditors, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case or proceeding under any state or federal bankruptcy laws or the occurrence of an Insolvency Event (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, any petition which is filed against it in any involuntary case under such bankruptcy laws or the occurrence of an Insolvency Event, or (viii) take any action for the purpose of effecting any of the foregoing;

(f) the sale is to a Customer who is not qualified to do business in the United States of America or Canada, or whose principal place of business is outside the continental United States of America or a province of Canada, unless the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its Permitted Discretion;

(g) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper (including a Rental Agreement) and, with respect to such chattel paper, the applicable Borrower (i) has not delivered the original thereof to Agent or (ii) such chattel paper does not contain a conspicuous legend stating that all of such Borrower's right to payments and any security interest arising under such chattel paper has been pledged to Agent, and that notice is thereby given that the grant of any Lien with respect to such chattel paper or the retention of proceeds thereunder violates the rights of Agent, in each case, in form and substance is satisfactory to Agent;

(h) Agent believes, in its Permitted Discretion, that collection of such Receivable is insecure or that such Receivable may not be paid by reason of the Customer's financial inability to pay;

(i) the Customer is the United States of America, federal government of Canada, any state, province, territory, or any department, agency or instrumentality of any of them, unless the applicable Borrower assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) or has fully complied with or is exempt under *the Financial Administration Act* (Canada), as amended, to Agent's satisfaction or has otherwise complied with other applicable statutes or ordinances;

(j) the goods giving rise to such Receivable have not been delivered to and accepted by the Customer or the services giving rise to such Receivable have not been performed by the applicable Borrower and accepted by the Customer or the Receivable otherwise does not represent a final sale;

(k) the aggregate amount of outstanding Receivables (i) with respect to any Customer other than Schlumberger and Halliburton, which exceeds twenty-five percent (25%) (or such greater percentage as Agent may determine in its Permitted Discretion) of all Eligible Receivables, and (ii) with respect to each of Schlumberger and Halliburton, which exceeds fifty percent (50%) of all Eligible Receivables, in each case, to the extent such Receivable exceeds such limit;

(l) the Receivable is subject to any offset, deduction, defense, dispute, or counterclaim or is contingent in any respect (including by virtue of the Customer also being a creditor or supplier of the applicable Borrower) with respect to the Receivable, but only to the extent of the maximum potential amount of such offset, deduction, defense, dispute, counterclaim or contingency against the applicable Receivable;

(m) the applicable Borrower has made any agreement with any Customer for any deduction therefrom, except for discounts, deductions, allowances or sales rebates made in the Ordinary Course of Business for prompt payment, all of which discounts, deductions, allowances or sales rebates are reflected in Borrowers' calculation of the face value of each respective invoice related thereto, but only to the extent of such deduction;

(n) any return, rejection or repossession of the merchandise has occurred or the rendition of services has been disputed but only to the extent of such rejection, return, revocation or refusal;

(o) such Receivable is not payable to the applicable Borrower; or

(p) the Receivable is sold pursuant to a Permitted Factoring Arrangement.

"Eligible Rental Fleet Inventory" shall mean and include, with respect to each Borrower, Rental Fleet Inventory owned by such Borrower which Agent, in its Permitted Discretion, shall not deem ineligible Rental Fleet Inventory, based on such considerations as Agent may from time to time deem appropriate in its Permitted Discretion, including whether the Rental Fleet Inventory is subject to a perfected, first priority security interest in favor of Agent in each applicable jurisdiction including where Rental Fleet Inventory is physically located and no other Lien. In addition, Rental Fleet Inventory shall not be Eligible Rental Fleet Inventory if it (i) does not conform in all material respects to all standards imposed by any Governmental Body which has regulatory authority over such goods or the use or sale thereof, (ii) is located at a location that is not otherwise in compliance with this Agreement, (iii) is subject to any agreement that limits, conditions or restricts Borrower's or Agent's right to sell or otherwise dispose of such Rental Fleet Inventory, unless Agent is a party to such agreement; (iv) is covered by a negotiable document of title that has not been delivered to Agent, (v) is not covered by insurance to the extent required under this Agreement, or (vi) is not in good working condition (wear and tear excepted).

"Eligible Unbilled Receivables" shall mean and include with respect to any Borrower, each Receivable of such Borrower (other than Eligible Receivables) arising in the Ordinary Course of Business (i) representing services previously performed by such Borrower and accepted by the Customer, (ii) which in accordance with such Borrower's written agreement with the Customer, has not yet been fully invoiced and billed to the Customer and (iii) that would otherwise constitute an Eligible Receivable but for the fact that the full amount of such Receivable has not been invoiced and billed to the Customer. A Receivable shall not be deemed an Eligible Unbilled Receivable unless such Receivable is subject to Agent's first priority perfected security interest and no other Lien (other than Permitted Encumbrances), and is evidenced by documentation satisfactory to Agent in its Permitted Discretion. In addition, no Receivable shall be (or remain, as applicable) an Eligible Unbilled Receivable if:

(a) it has not been invoiced and billed to the Customer within thirty (30) days of the applicable and corresponding work completion date;

(b) with respect to any Receivable generated after the Closing Date, Agent shall not have received, upon request, a true, correct and complete copy of the written agreement between such Borrower and Customer in respect thereof; or

(c) any representation, circumstance or requirement set forth in the definition of Eligible Receivables (other than clauses (b) and (j) (with respect to the provision of services only) thereof) is not true or otherwise satisfied with respect to the applicable Receivable.

"Embargoed Property" shall mean any property (a) in which a Sanctioned Person holds an interest; (b) beneficially owned, directly or indirectly, by a Sanctioned Person; (c) that is due to or from a Sanctioned Person; (d) that is located in a Sanctioned Jurisdiction; or (e) that would otherwise cause any actual violation by Agent or any Lender of any applicable Anti-Terrorism Law if Agent or any Lender were to obtain an encumbrance on, lien on, pledge of or security interest in such property or provide services in consideration of such property.

"Environmental Complaint" shall have the meaning set forth in Section 9.3 hereof.

"Environmental Laws" shall mean all federal, state, provincial and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules and regulations and legally binding and applicable orders and directives of federal, state, provincial, international and local Governmental Bodies with respect thereto, including, without limitation, the Environmental Protection Act.

"Equipment" shall mean and include as to each Credit Party all of such Credit Party's goods (other than Inventory) whether now owned or hereafter acquired and wherever located including all equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings, fixtures, parts, accessories and all replacements and substitutions therefor or accessions thereto.

"Equity Interests" of any Person shall mean any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, member interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act), including in each case all of the following rights relating to such Equity Interests, whether arising under the Organizational Documents of the Person issuing such Equity Interests (the "issuer") or under the applicable Laws of such issuer's jurisdiction of organization relating to the formation, existence and governance of corporations, limited or unlimited liability companies or partnerships or business trusts or other legal entities, as the case may be: (i) all economic rights (including all rights to receive dividends and distributions) relating to such Equity Interests; (ii) all voting rights and rights to consent to any particular action(s) by the applicable issuer; (iii) all management rights with respect to such issuer; (iv) in the case of any Equity Interests consisting of a general partner interest in a partnership, all powers and rights as a general partner with respect to the management, operations and control of the business and affairs of the applicable issuer; (v) in the case of any Equity Interests consisting of the membership/limited liability company interests of a managing member in a limited liability company, all powers and rights as a managing member with respect to the management, operations and control of the business and affairs of the applicable issuer; (vi) all rights to designate or appoint or vote for or remove any officers, directors, manager(s), general partner(s) or managing member(s) of such issuer and/or any members of any board of members/managers/partners/directors that may at any time have any rights to manage and direct the business and affairs of the applicable issuer under its Organizational Documents as in effect from time to time or under Applicable Law; (vii) all rights to amend the Organizational Documents of such issuer, (viii) in the case of any Equity Interests in a partnership or limited liability company, the status of the holder of such Equity Interests as a "partner", general or limited, or "member" (as applicable) under the applicable Organizational Documents and/or Applicable Law; and (ix) all certificates evidencing such Equity Interests.

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

"Erroneous Payment" shall have the meaning set forth in Section 14.14(a) hereof.

"Erroneous Payment Deficiency Assignment" shall have the meaning set forth in Section 14.14(d) hereof.

"Erroneous Payment Impacted Class" shall have the meaning set forth in Section 14.14(d) hereof.

"Erroneous Payment Return Deficiency" shall have the meaning set forth in Section 14.14(d) hereof.

"Erroneous Payment Subrogation Rights" shall have the meaning set forth in Section 14.14(d) hereof.

"Event of Default" shall have the meaning set forth in Article X hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934 or any other similar applicable legislation in any applicable jurisdiction, as amended.

"Excluded Claims" means Claims of any Indemnified Party that arise from such Person's gross negligence, willful misconduct or breach in bad faith (in each case, as determined by a court of competent jurisdiction by final and nonappealable judgment).

"Excluded Collateral Amount" shall have the meaning set forth in Section 4.1.

"Excluded Foreign Asset Threshold" shall mean as of the last day of the four-fiscal quarter period most recently ended for which financial statements have been delivered pursuant to Section 9.7 or 9.8, as the case may be, fifteen percent (15.0%) of the consolidated total assets of the Parent as of the last day of such four-fiscal quarter period.

"Excluded Hedge Liability or Liabilities" shall mean, with respect to each Borrower and Guarantor, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any Other Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of such Borrower's and/or Guarantor's failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any Other Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Borrower or Guarantor for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap; (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest; and (c) if there is more than one Borrower or Guarantor executing this Agreement or the Other Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

"Excluded Property" shall have the meaning assigned to such term in the definition of Collateral.

"Excluded Tax" shall mean, with respect to any Recipient or any other recipient of any payment to be made by or on account of any Obligations, (a) Taxes imposed on or measured by its overall net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office or applicable lending office is located, or that are Other Connection Taxes, (b) in the case of a Lender, any withholding Tax that is imposed on amounts payable to such Lender at the time such Lender becomes a party hereto (or designates a new lending office) except to the extent that such Lender was entitled, at the time of designation of a new lending office (or assignment or sale of a participation), to receive additional amounts from Credit Parties with respect to such withholding Tax pursuant to Section 3.10(a), (c) Taxes attributable to such Recipient's failure to comply with Section 3.10(e) and (d) any Taxes imposed under FATCA.

"Existing Credit Agreement" shall mean that certain Revolving Credit, Term Loan and Security Agreement dated as of December 29, 2015, by and among the Credit Parties party thereto, the Lender party thereto, and Agent, as amended, supplemented or otherwise modified prior to the Restatement Date.

"Extended Term Customers" shall mean each of the Customers commonly known as Schlumberger Limited ("Schlumberger"), Weatherford International, Baker Hughes Incorporated, Halliburton Company ("Halliburton"), Pioneer Natural Resources Company (in each case, and their Affiliates) and any additional Customer approved by the Agent in its Permitted Discretion.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations thereunder or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreements between the United States and another country entered into in connection therewith, and any fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to such intergovernmental agreement.

"Fee Letter" shall mean, collectively, (i) that certain Second Amended and Restated Fee Letter dated as of the Restatement Date by and among Borrowers and Agent (the "Restatement Date Fee Letter"), and (ii) any other agreement entered into by or among any Credit Parties and Agent or the Lenders in connection with this Agreement, which agreement is designated as a "Fee Letter" therein.

"Fixed Charge Coverage Ratio" shall mean, with respect to any fiscal period, and calculated with respect to the Credit Parties on a Consolidated Basis (without duplication) the ratio of (a) (i) Adjusted EBITDA for the four fiscal quarter period then ending, minus (ii) Unfinanced Capital Expenditures made during such period, minus (iii) to the extent not already deducted from EBITDA, distributions (including tax distributions) and dividends made during such period (except to the extent paid to a Credit Party or pursuant to the Domino Repurchase Agreement), minus cash taxes paid during such period to (b) all Debt Payments made during such period.

"Flood Laws" shall mean all Applicable Laws relating to policies and procedures that address requirements placed on federally regulated lenders under the National Flood Insurance Reform Act of 1994 and other Applicable Laws related thereto.

"Foreign Currency Hedge" shall mean any foreign exchange transaction, including spot and forward foreign currency purchases and sales, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, foreign currency swap agreements, currency exchange rate price hedging arrangements, and any other similar transaction providing for the purchase of one currency in exchange for the sale of another currency entered into by any Borrower, Guarantor and/or any of their respective Subsidiaries.

"Foreign Currency Hedge Liabilities" shall have the meaning assigned in the definition of Lender-Provided Foreign Currency Hedge.

"Foreign Holding Company" shall mean any Subsidiary of a Credit Party that (a) is a disregarded entity or partnership for U.S. Federal income tax purposes and (b) owns one or more Foreign Subsidiaries, either directly or indirectly through other entities that are disregarded entities or partnerships for U.S. Federal income tax purposes, and the primary assets of all such disregarded entities (other than equity interests in each other) consist of equity interests of such Foreign Subsidiaries.

"Foreign Lender" shall mean (a) if the Borrower is a U.S. Borrower, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Borrower, a Lender that is organized under the laws of a jurisdiction other than that in which that Borrower is resident for tax purposes. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction and Canada and each province and territory thereof shall constitute a single jurisdiction.

"Foreign Subsidiary" of any Person shall mean (a) any Subsidiary of such Person that is not organized or incorporated in the United States or any State or territory thereof and (b) any Foreign Holding Company.

"Formula Amount" shall have the meaning set forth in Section 2.1(a).

"FSRA" shall mean The Financial Services Regulatory Authority of Ontario, the Alberta Superintendent of Financial Institutions or any like body in Canada or in any other province or territory or jurisdiction of Canada with whom a Canadian Pension Plan is required to be registered in accordance with Applicable Law and any other Governmental Body succeeding to the functions thereof.

"Funded Debt" shall mean, with respect to any Person, without duplication, all Indebtedness for borrowed money evidenced by notes, bonds, debentures, or similar evidences of Indebtedness, and specifically including Capitalized Lease Obligations, and also including, in the case of Credit Parties, the Obligations and, without duplication, Indebtedness consisting of guaranties of Funded Debt of other Persons *provided however* that for purposes of determining the amount of Funded Debt with respect to the Obligations, the amount of Funded Debt shall be equal to the sum of the outstanding Revolving Advances, Swing Loans, the Maximum Undrawn Amount of all outstanding Letters of Credit as of the last day of any fiscal quarter.

"GAAP" shall mean generally accepted accounting principles in the United States of America or Canada, as applicable, in effect from time to time.

"General Intangibles" shall mean and include as to each Credit Party all of such Credit Party's general intangibles, whether now owned or hereafter acquired, including all payment intangibles, all choses in action, causes of action, corporate or other business records, inventions, designs, patents, patent applications, equipment formulations, manufacturing procedures, quality control procedures, trade names, trademarks, trademark applications, service marks, trade secrets, goodwill, copyrights, design rights, software, computer information, source codes, codes, records and updates, registrations, licenses, franchises, customer lists, tax refunds, tax refund claims, computer programs, all claims under guaranties, security interests or other security held by or granted to such Credit Party to secure payment of any of the Receivables by a Customer (other than to the extent covered by Receivables) all rights of indemnification and all other intangible property of every kind and nature (other than Receivables).

"Governmental Body" shall mean any nation or government, any state, any provincial or other political subdivision thereof or any entity, authority, agency, division or department exercising the executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to a government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, 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" shall mean (i) Holdings, (ii) Parent and (iii) any Subsidiary of a Borrower or any other Person who may hereafter guarantee payment or performance of the whole or any part of the Obligations and "Guarantors" shall mean collectively all such Persons.

"Guarantor Security Agreement" shall mean any security agreement executed by any Guarantor in favor of Agent securing the Obligations or the Guaranty of such Guarantor, in form and substance satisfactory to Agent.

"Guaranty" shall mean (i) Article XVI of this Agreement and (ii) any guaranty of the Obligations executed by a Guarantor in favor of Agent for its benefit and for the ratable benefit of Lenders, in form and substance satisfactory to Agent in its Permitted Discretion.

"Hard Cost" shall mean, with respect to the purchase by any Borrower of an item of Eligible Rental Fleet Inventory, the net cash amount actually paid to acquire title to such item, net of all incentives, discounts and rebates, and exclusive of freight, delivery charges, installation costs and charges, software costs, charges and fees, warranty costs, taxes, insurance and other incidental costs or expenses and all indirect costs or expenses of any kind as evidenced by invoices, receipts and other documentation satisfactory to Agent in its Permitted Discretion.

"Hard Cost Eligible Rental Fleet Inventory Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(v).

"Hazardous Discharge" shall have the meaning set forth in Section 9.3(b) hereof.

"Hazardous Materials" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials as defined in or subject to regulation under Environmental Laws.

"Hazardous Wastes" shall mean all waste materials subject to regulation under RCRA or similar applicable state or provincial Law relating to hazardous waste disposal, and any other Applicable Laws now in force or hereafter enacted relating to hazardous waste disposal.

"Hedge Liabilities" shall have the meaning provided in the definition of "Lender- Provided Interest Rate Hedge".

"Hedging Obligation" shall mean, with respect to any Person, any liability of such Person under any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices.

"Holdings" shall have the meaning set forth in the preamble to this Agreement.

"Immaterial Foreign Subsidiary" shall mean any Foreign Subsidiary not formed or organized under the laws of Canada or any province thereof, which, as of the last day of the four-fiscal quarter period most recently ended for which financial statements have been delivered pursuant to Section 9.7 or 9.8, as the case may be, (a) together with all other Immaterial Foreign Subsidiaries, would contribute in the aggregate less than five percent (5.0%) of the Adjusted EBITDA for such four-fiscal quarter period, (b) together with all other Immaterial Foreign Subsidiaries, owns directly or indirectly through its Subsidiaries, total assets in the aggregate not exceeding five percent (5.0%) of the consolidated total assets of the Parent as of the last day of such four-fiscal quarter period, and (c) has been designated in writing by the Borrowing Agent to the Agent as an Immaterial Foreign Subsidiary.

"Indebtedness" shall mean, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (a) borrowed money; (b) amounts received under or liabilities in respect of any note purchase or acceptance credit facility, and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all Capitalized Lease Obligations; (d) reimbursement obligations (contingent or otherwise) under any letter of credit agreement, banker's acceptance agreement or similar arrangement; (e) obligations under any Interest Rate Hedge, Foreign Currency Hedge, or other interest rate management device, foreign currency exchange agreement, currency swap agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement; (f) any other advances of credit made to or on behalf of such Person or other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements including to finance the purchase price of property or services and all obligations of such Person to pay the deferred purchase price of property or services (but not including trade payables and accrued expenses

incurred in the Ordinary Course of Business which are not represented by a promissory note or other evidence of indebtedness); (g) all Disqualified Equity Interests of such Person; (h) all indebtedness, obligations or liabilities secured by a Lien on any asset of such Person, whether or not such indebtedness, obligations or liabilities are otherwise an obligation of such Person; (i) all obligations of such Person for "earnouts", purchase price adjustments, profit sharing arrangements, deferred purchase money amounts and similar payment obligations or continuing obligations of any nature of such Person arising out of purchase and sale contracts; (j) off-balance sheet liabilities and/or pension plan liabilities of such Person; and (k) any guaranty of any indebtedness, obligations or liabilities of a type described in the foregoing clauses (a) through (j).

"Indemnified Tax" shall mean (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 Other Document and (b) to the extent not otherwise described in (a), Other Taxes, in each case, other than any interest or penalties attributable to the willful misconduct or gross negligence of any Recipient as determined by a final and non-appealable judgment of a court of competent jurisdiction.

"Ineligible Security" shall mean any security which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

"Insolvency Event" shall mean, with respect to any Person, including without limitation any Lender, such Person or such Person's direct or indirect parent company (a) becomes the subject of a bankruptcy or insolvency proceeding (including any proceeding under Title 11 of the United States Code, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-up and Restructuring Act (Canada) or any applicable corporate statute), or regulatory restrictions, (b) has had a receiver, interim receiver, receiver and manager, conservator, trustee, administrator, monitor, liquidator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization, arrangement, or liquidation of its business appointed for it or has called a meeting of its creditors, (c) admits in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business or any sale of its assets in bulk, (d) with respect to a Lender, such Lender is unable to perform hereunder due to the application of Applicable Law, or (e) in the good faith determination of Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment of a type described in clause (a) or (b), provided that an Insolvency Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person or such Person's direct or indirect parent company by a Governmental Body or instrumentality thereof if, and only if, such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Body or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Insurance Premium Lender" shall have the meaning set forth in the definition of Permitted Insurance Premium Financing Indebtedness.

"Insurance Premium Loan Documents" shall have the meaning set forth in the definition of Permitted Insurance Premium Financing Indebtedness.

"Intellectual Property" shall mean property constituting a patent, copyright, trademark (or any application in respect of the foregoing), service mark, copyright, copyright application, trade name, mask work, trade secrets, design right, assumed name or license or other right to use any of the foregoing under Applicable Law.

"Intellectual Property Claim" shall mean the assertion, by any means, by any Person of a claim that any Credit Party's ownership, use, marketing, sale or distribution of any Inventory, equipment, Intellectual Property or other property or asset is violative of any ownership of or right to use any Intellectual Property of such Person.

"Intellectual Property Security Agreement" shall mean any Intellectual Property Security Agreement covering any material Intellectual Property necessary in the Business of a Credit Party, dated after the Closing Date between such Credit Party and Agent, the form and substance of which shall be satisfactory to Agent. For the avoidance of doubt, an Intellectual Property Security Agreement is not required on the Closing Date.

"Interest Period" shall mean the period provided for any Term SOFR Rate Loan pursuant to Section 2.2(b) hereof.

"Interest Rate Hedge" shall mean an interest rate exchange, collar, cap, swap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or similar agreements entered into by any Borrower, Guarantor and/or their respective Subsidiaries in order to provide protection to, or minimize the impact upon, such Borrower, any Guarantor and/or their respective Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

"Inventory" shall mean and include as to each Credit Party all of such Credit Party's now owned or hereafter acquired goods, merchandise and other personal property, wherever located, to be furnished under any consignment arrangement, contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Credit Party's business or used in selling or furnishing such goods, merchandise and other personal property, and all documents of title or other documents representing them.

"Investment" shall mean, with respect to any Person, any of (a) the purchase of any debt or equity security of any other Person, (b) the making of any loan or advance to any other Person, (c) becoming obligated with respect to a Contingent Obligation in respect of obligations of any other Person (other than travel and similar advances to employees in the ordinary course of business and other than intercompany payables and accounts receivable between any Credit Party or any Subsidiary or vice-versa or between Subsidiaries in and arising in the ordinary course of business) or (d) the making of an Acquisition.

"Investment Affiliate" shall mean any fund or investment vehicle (including, without limitation, any Permitted Investor) that (a) is organized by Sponsor for the purpose of making equity or debt investments in one or more companies and (b) is controlled by, or under common control with, Sponsor. For purposes of this definition "control" shall mean the power to direct or cause the direction of management and policies of a Person, whether by contract or otherwise.

"Investment Property" shall mean and include as to each Credit Party, all of such Credit Party's now owned or hereafter acquired securities (whether certificated or uncertificated), securities entitlements, securities accounts, commodities contracts and commodities accounts.

"Issuer" shall mean any Person who issues a Letter of Credit and/or accepts a draft pursuant to the terms hereof.

"ITA" means the Income Tax Act (Canada) and the regulations thereunder, as amended from time to time.

"Law(s)" shall mean any law(s) (including common law and equitable principles), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, directive, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Governmental Body, foreign or domestic, federal, state, territorial, provincial or local.

"Lender" and "Lenders" shall have the meaning ascribed to such term in the preamble to this Agreement and shall include Revolving Lenders and each Person which becomes a transferee, successor or assign of any Lender in accordance with the terms hereof. For the purpose of provision of this Agreement or any Other Document which provides for the granting of a security interest or other Lien to the Agent for the benefit of Lenders as security for the Obligations, "Lenders" shall include any Affiliate of a Lender to which such Obligation (specifically including any Hedge Liabilities and any Cash Management Liabilities) is owed.

"Lender-Provided Foreign Currency Hedge" shall mean a Foreign Currency Hedge which is provided by any Lender and for which such Lender confirms to Agent in writing prior to the execution thereof that it: (a) is documented in a standard International Swap Dealers Association, Inc. Master Agreement or another reasonable and customary manner; (b) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner; and (c) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender-Provided Foreign Currency Hedge (the "Foreign Currency Hedge Liabilities") by any Borrower, Guarantor, or any of their respective Subsidiaries that is party to such Lender-Provided Foreign Currency Hedge shall, for purposes of this Agreement and all Other Documents be "Obligations" of such Person and of each other Borrower and Guarantor, be guaranteed obligations under any Guaranty and secured obligations under any Security Agreement and/or Guarantor Security Agreement, as applicable, and otherwise treated as Obligations for purposes of the Other Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Foreign Currency Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5 hereof, to the extent not constituting Excluded Hedge Liability or Liabilities.

"Lender-Provided Interest Rate Hedge" shall mean an Interest Rate Hedge which is provided by any Lender and with respect to which Agent confirms meets the following requirements: such Interest Rate Hedge (i) is documented in a standard International Swap Dealer Association Agreement, (ii) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner, and (iii) is entered into for hedging (rather than speculative) purposes. The liabilities of any Credit Party to the provider of any Lender-Provided Interest Rate Hedge (the "Hedge Liabilities") shall be "Obligations" hereunder, guaranteed obligations under any Guaranty and secured obligations under any Security Agreement and/or Guarantor Security Agreement and otherwise treated as Obligations for purposes of each of the Other Documents, to the extent not constituting Excluded Hedge Liability or Liabilities. The Liens securing the Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents and the Other Documents, subject to the express provisions of Section 11.5 hereof.

"Letter of Credit Application" shall have the meaning set forth in Section 2.11(a) hereof.

"Letter of Credit Borrowing" shall have the meaning set forth in Section 2.13(d) hereof.

"Letter of Credit Fees" shall have the meaning set forth in Section 3.2(a) hereof.

"Letter of Credit Sublimit" shall mean $5,000,000.

"Letters of Credit" shall have the meaning set forth in Section 2.10 hereof.

"Leverage Ratio" shall mean, as of the last day of any fiscal quarter of the Parent, the ratio of (a) Funded Debt as of such last day to (b) Adjusted EBITDA for the four fiscal quarter period then ending.

"Lien" shall mean any mortgage, deed of trust, deemed or statutory trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), charge, encumbrance, or other security agreement or preferential arrangement in respect of any asset of any kind or nature whatsoever including any adverse right or claim, conditional sale or other title retention agreement, and any lease having substantially the same economic effect as any of the foregoing.

"Lien Waiver Agreement" shall mean an agreement in form and content acceptable to Agent in its Permitted Discretion and which is executed in favor of Agent by a Person who owns premises at which any Collateral may be located from time to time.

"Liquidity" shall mean, as of any date of determination, the sum of (a) Undrawn Availability and (b) Unrestricted Cash.

"Management Agreement" shall mean that certain Monitoring and Oversight Agreement, dated as of January 27, 2012, between Holdings and Hicks Holdings Operating LLC, as amended by that certain First Amendment to Monitoring and Oversight Agreement dated as of February 13, 2023, between Holdings and Hicks Holdings Operating LLC, as further amended supplemented or otherwise modified following the Restatement Date as permitted hereunder.

"Management Fee Subordination Agreement" shall mean that certain Amended and Restated Management Fee Subordination Agreement dated as of the Restatement Date among Agent, the Sponsor, the Borrowers and Holdings, as amended, supplemented or otherwise modified as permitted hereunder.

"Management Fees" shall mean the "Monitoring Fees" as defined in Section 3(a) of the Management Agreement, as in effect on the Restatement Date.

"Material Adverse Effect" shall mean a material adverse effect on (a) the financial condition, results of operations, and/or assets of the Credit Parties, taken as a whole, (b) the Credit Parties' ability to duly and punctually pay or perform the Obligations in accordance with the terms thereof, (c) the value of the Collateral, or enforceability of Agent's Liens on the Collateral or the priority of any such Lien or (d) the practical realization of the principal benefits of Agent's and each Lender's rights and remedies under this Agreement and the Other Documents. Notwithstanding the foregoing, in no event shall the consummation of the transactions contemplated in the ROC Merger Agreement constitute a Material Adverse Effect.

"Material Contract" shall mean any contract, agreement, instrument, permit, lease or license, written or oral, of any Credit Party, which is material to any Credit Party's business and which the failure to comply with could reasonably be expected to result in a Material Adverse Effect.

"Material Foreign Subsidiary" shall mean any Foreign Subsidiary not formed or organized under the laws of Canada or any province thereof that is not an Immaterial Foreign Subsidiary.

"Maximum Face Amount" shall mean, with respect to any outstanding Letter of Credit, the face amount of such Letter of Credit including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

"Maximum Swing Loan Advance Amount" shall mean $6,000,000.

"Maximum Revolving Advance Amount" shall mean $60,000,000.

"Maximum Undrawn Amount" shall mean with respect to any outstanding Letter of Credit, the amount of such Letter of Credit that is or may become available to be drawn, including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

"Modified Commitment Transfer Supplement" shall have the meaning set forth in Section 17.3(d) hereof.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Section 3(37) or 4001(a)(3) of ERISA to which contributions are required or, within the preceding five plan years, were required to be made by any Credit Party or any member of the Controlled Group.

"Multiple Employer Plan" shall mean a Pension Benefit Plan which has two or more contributing sponsors (including any Credit Party or any member of the Controlled Group) at least two of whom are not under common control, as such a plan is described in Section 4063 or 4064 of ERISA.

"Net Cash Proceeds" means, the aggregate cash proceeds received by any Credit Party in respect of any sale or other disposition of assets of such Credit Party, in each case net of (without duplication) (A) the amount required to repay any Indebtedness (other than the Advances), including Capitalized Lease Obligations, incurred with respect to, or secured by a Permitted Encumbrance on, any assets of a Credit Party that are sold or otherwise disposed of in connection with such asset sale, (B) the reasonable out-of-pocket expenses incurred in effecting such issuance, sale or other disposition and (C) any Taxes reasonably attributable to such asset sale and reasonably estimated by such Credit Party to be actually payable.

"Net Orderly Liquidation Value" means the dollar amount that is estimated to be recoverable in an orderly liquidation of Borrowers' Eligible Inventory and Eligible Rental Fleet Inventory as set forth in the most recent NOLV Appraisal received by Agent and upon which Agent may rely, such value to be calculated net of all operating expenses and associated costs and expenses of such liquidation.

"NOLV Appraisal" means an on-site appraisal or desk-top update to such an appraisal, as applicable, conducted to determine the Net Orderly Liquidation Value of the Borrowers' Eligible Inventory and Eligible Rental Fleet Inventory; such appraisal to be conducted (whether on-site or through desk-top update) from time to time by an appraisal company selected by the Borrowing Agent and approved by Agent (provided, that upon the rejection by Agent of an appraisal company proposed by Borrowing Agent, the Borrowing Agent must propose an alternate appraisal company within five (5) Business Days thereafter for Agent's consideration) in accordance with Agent's requirements and otherwise in form, scope, methodology and content acceptable to Agent and Agent shall have received a duplicate copy of such appraisal addressed to Agent.

"Non-Defaulting Lender" shall mean, at any time, any Lender holding a Revolving Commitment that is not a Defaulting Lender at such time.

"Non-Qualifying Party" shall mean any Credit Party that fails for any reason to qualify as an Eligible Contract Participant.

"Notes" shall mean the Revolving Credit Note and the Swing Loan Note.

"Obligations" shall mean and include any and all loans (including without limitation, all Advances and Swing Loans), advances, debts, liabilities, obligations (including without limitation all reimbursement obligations and cash collateralization obligations with respect to Letters of Credit issued hereunder), covenants and duties owing by any Borrower or Guarantor or any Subsidiary of any Borrower or any Guarantor to Issuer, Swing Loan Lender, Lenders or Agent (or to any other direct or indirect subsidiary or affiliate of Issuer, Swing Loan Lender. any Lender or Agent) of any kind or nature, present or future (including any interest or other amounts accruing thereon, any fees accruing under or in connection therewith, any costs and expenses of any Person payable by any Borrower and any indemnification obligations payable by any Credit Party arising or payable after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, arrangement, reorganization or like proceeding relating to any Credit Party, whether or not a claim for post-filing or post-petition interest, fees or other amounts is allowable or allowed in such proceeding), whether or not evidenced by any note, guaranty or other instrument, whether arising under any agreement, instrument or document (including this

Agreement, the Other Documents, Lender-Provided Interest Rate Hedges and any Cash Management Products and Services) whether or not for the payment of money, whether arising by reason of an extension of credit, opening or issuance of a letter of credit, loan, equipment lease, establishment of any purchase card or similar facility or guarantee, under any interest or currency swap, future, option or other similar agreement, or in any other manner, whether arising out of overdrafts or deposit or other accounts or electronic funds transfers (whether through automated clearing houses or otherwise) or out of Agent's or any Lender's non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository transfer check or other similar arrangements, whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, regardless of how such indebtedness or liabilities arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, including, but not limited to, (i) any and all of any Borrower's or any Guarantor's Indebtedness and/or liabilities (and any and all indebtedness, obligations and/or liabilities of any Subsidiary of any Borrower or any Guarantor) under this Agreement, the Other Documents or under any other agreement between Issuer, Agent or Lenders and any Credit Party and any amendments, extensions, renewals or increases and all costs and expenses of Issuer, Agent and any Lender incurred in the documentation, negotiation, modification, enforcement, collection or otherwise in connection with any of the foregoing, including but not limited to reasonable attorneys' fees and expenses and all obligations of any Credit Party to Issuer, Agent or Lenders to perform acts or refrain from taking any action, (ii) all Hedge Liabilities and (iii) all Cash Management Liabilities. Notwithstanding anything to the contrary contained in the foregoing, the Obligations shall not include any Excluded Hedge Liabilities.

"Ordinary Course of Business" shall mean, with respect to any Credit Party, the ordinary course of such Credit Party's Business.

"Organizational Documents" shall mean (i) with respect to any corporation, its certificate or articles of incorporation, amalgamation or organization and its by-laws, (ii) with respect to any limited partnership, its certificate of limited partnership and its partnership agreement, (iii) with respect to any general partnership, its partnership agreement, and (iv) with respect to any limited liability company, its articles of organization and its operating agreement, in each case, as may be amended from time to time. In the event any term or condition of this Agreement or any Other Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Other Document, or sold or assigned an interest in any Advance or Other Document).

"Other Documents" shall mean the Notes, the Perfection Certificates, the Fee Letter, any Guaranty, any Guarantor Security Agreement, any Security Agreement, the Management Fee Subordination Agreement, any Pledge Agreement and any and all other agreements, instruments and documents, including intercreditor agreements, mortgagee waivers, guaranties, pledges, powers of attorney, consents, certificates, estoppels, standstill, non-disturbance, and all other writings heretofore, now or hereafter executed by any Credit Party and/or delivered to Agent or any Lender in connection with this Agreement (and shall include any amendment, restatement, renewal supplement, ratification, confirmation, reaffirmation or other modification of any of the foregoing).

"Other Taxes" shall mean all present or future stamp, court or documentary, intangible, recording, excise, value added, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest hereunder, or otherwise with respect to, any Other Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made at the request of any Credit Party under Section 3.11).

"Out-of-Formula Loans" shall have the meaning set forth in Section 17.2(e) hereof.

"Overnight Bank Funding Rate" shall mean, for any, day the rate per annum (based on a year of 360 days and actual days elapsed) comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by such Federal Reserve Bank (or by such other recognized electronic source (such as Bloomberg) selected by the Agent for the purpose of displaying such rate) (an "Alternate Source"); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Agent at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Borrowing Agent.

"Parent" shall have the meaning set forth in the preamble to this Agreement.

"Participant" shall mean each Person who pursuant to Section 17.3(b) shall be granted the right by any Lender to participate in any of the Advances and who shall have entered into a participation agreement in form and substance satisfactory to such Lender.

"Participation Advance" shall have the meaning set forth in Section 2.13(d) hereof.

"Participation Commitment" shall mean the obligation hereunder of each Lender holding a Revolving Commitment to buy a participation equal to its Revolving Commitment Percentage (subject to any reallocation pursuant to Section 2.21(b)(iii) hereof) in the Swing Loans made by Swing Loan Lender hereunder as provided for in Section 2.4(c) hereof and in the Letters of Credit issued hereunder as provided for in Section 2.13(a) hereof.

"Payment Conditions" shall mean, at the time of declaring any dividend or distribution to the Equity Interest holders of Parent, the following conditions shall be satisfied: (a) no Default or Event of Default shall be existing at such time; (b) at such time, after giving pro forma effect to such transaction, (x) the Fixed Charge Coverage Ratio on a pro forma basis as of the last day of the most recently ended fiscal quarter is not less than 1.20 to 1.00, and (y) Undrawn Availability is greater than or equal to twenty five percent (25%) of the lesser of the (x) Maximum Revolving Advance Amount and (y) Formula Amount; and (c) Agent shall have received a Compliance Certificate evidencing satisfaction of the foregoing conditions.

"Payment Office" shall mean initially Two Tower Center Boulevard, East Brunswick, New Jersey 08816; thereafter, such other office of Agent, if any, which it may designate by notice to Borrowing Agent and to each Lender to be the Payment Office.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

"Pension Benefit Plan" shall mean at any time any employee pension benefit plan as defined in Section 3(2) of ERISA (including a Multiple Employer Plan, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412, 430 or 436 of the Code and either is currently, or was at any time within the preceding five (5) years, maintained by, or to which contributions are or, within the preceding five (5) years, were required by, any member of the Controlled Group. For the avoidance of doubt, the term "Pension Benefit Plan" shall not include any Canadian Pension Plan or any Canadian Benefit Plan.

"Perfection Certificate" shall mean the Perfection Certificate, each dated as of the Restatement Date, executed by the applicable Credit Parties and delivered to Agent.

"Permitted Acquisition Documents" shall mean each document, instrument, agreement or certificate entered into in connection with a (i) Permitted Acquisition or (ii) Permitted Acquisition (as defined under the Existing Credit Agreement), in each case, together with all amendments thereto, waivers relating thereto and other side letters or agreements affecting the terms thereof.

"Permitted Acquisitions" shall mean Acquisitions of the assets or Equity Interests of another Person (the "target"), other than any joint-venture or similar structure, so long as: (a) at the time of and after giving effect to such Acquisition, Borrowers have Undrawn Availability of not less than twenty percent (20%) of the lesser of the (x) Maximum Revolving Advance Amount and (y) Formula Amount pursuant to a written report certified by an Authorized Officer setting forth Undrawn Availability; (b) if the total costs and liabilities (including without limitation, all assumed liabilities, all earn-out payments, deferred payments and the value of any other stock or assets transferred, assigned or encumbered with respect to such Acquisitions) of any individual Acquisition equals or exceeds $15,000,000, Agent shall have received a quality of earnings report with respect to the target in form and substance reasonably satisfactory to Agent; (c) with respect to the Acquisition of Equity Interests, such target shall (i) have a positive EBITDA and Tangible Net Worth, calculated in accordance with GAAP immediately prior to such Acquisition, (ii) in the case of a Domestic Subsidiary, be added as a Credit Party to this Agreement and be jointly and severally liable for all Obligations, and (iii) grant to Agent a first priority lien in all assets of such target (other than any asset that would be Excluded Property hereunder); (d) the target or property

is used or useful in the Credit Parties' Ordinary Course of Business; (e) Agent shall have received, or shall promptly receive, a first-priority security interest in all acquired assets or Equity Interests (in each case, other than assets or Equity Interests that would be Excluded Property hereunder), subject to documentation satisfactory to Agent; (f) the board of directors (or other comparable governing body) of the target shall have duly approved the transaction; (g) Borrowers shall have delivered to Agent (i) a pro forma balance sheet and pro forma financial statements and a Compliance Certificate demonstrating that, upon giving effect to such Acquisition on a pro forma basis, Credit Parties would be in compliance with the financial covenants set forth in Section 6.5 as of the most recent fiscal quarter end and (ii) financial statements of the acquired entity for the two most recent fiscal years then ended (to the extent available), in form and substance acceptable to Agent in its Permitted Discretion; (h) if such Acquisition includes general partnership interests or any other Equity Interest that does not have a corporate (or similar) limitation on liability of the owners thereof, then such Acquisition shall be effected by having such Equity Interests acquired by a corporate holding company directly or indirectly wholly-owned by a Credit Party and newly formed for the sole purpose of effecting such Acquisition; (i) no assets acquired in any such transaction(s) shall be included in the Formula Amount until Agent has received a field examination and/or appraisal of such assets, in form and substance acceptable to Agent; (j) no Default or Event of Default shall have occurred or will occur after giving pro forma effect to such Acquisition, and (k) Agent shall have received at least ten (10) Business Days' (or such shorter period as Agent may agree to in its Permitted Discretion) prior written notice of such Acquisition. For the purposes of calculating Undrawn Availability under this definition, any assets being acquired in the proposed Acquisition shall be included in the Formula Amount on the date of closing so long as Agent has received an audit or appraisal of such assets as set forth in clause (i) above and so long as such assets satisfy the applicable eligibility criteria.

"Permitted Assignees" shall mean: (a) Agent, any Lender or any of their direct or indirect Affiliates; (b) any fund that is administered or managed by Agent or any Lender, an Affiliate of Agent or any Lender or a related entity; and (c) any Person to whom Agent or any Lender assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Agent's or Lender's rights in and to a material portion of such Agent's or Lender's portfolio of asset-based credit facilities; provided, that no Disqualified Institution shall constitute a Permitted Assignee.

"Permitted Discretion" shall mean a determination made in good faith and in the exercise of commercially reasonable (from the perspective of a secured asset-based lender) business judgment.

"Permitted Distributions" means (a) dividends, distributions, redemptions or other payments used for (i) financing premium payments on any life insurance policy established in connection with the Domino Repurchase Agreement and (ii) so long as a notice of termination with regard to this Agreement shall not be outstanding and no Event of Default or Default shall have occurred or would occur after giving pro forma effect to such dividends or distributions, fees, expenses and indemnities under the Management Agreement permitted pursuant to the terms and conditions of this Agreement and the Management Fee Subordination Agreement, (b) dividends and distributions to the Equity Interest holders of Parent, so long as (i) the Payment Conditions are satisfied, (ii) the aggregate amount of such dividends and distributions made in any fiscal year does not exceed twenty five percent (25%) of Adjusted EBITDA for the prior year, and (iii) such dividends and distributions are not paid more than once per fiscal quarter of the Parent, (c) dividends and distributions to any Credit Party, and (d) the redemption of the Preferred Equity Interests on the Restatement Date.

"Permitted Earn-Outs" shall mean, with respect to any Person, unsecured obligations of such Person arising from any Permitted Acquisition which are (i) payable based on the achievement of specified financial results over time and (ii) are subject to subordination terms (or a subordination agreement in favor of Agent and Lenders) acceptable to Agent in its Permitted Discretion.

"Permitted Encumbrances" shall mean: (a) Liens in favor of Agent for the benefit of Agent and Lenders, including without limitation, Liens securing Hedge Liabilities and Cash Management Products and Services; (b) Liens for taxes, assessments or other governmental charges not delinquent or being Properly Contested; (c) deposits or pledges to secure obligations under worker's compensation, social security or similar laws (but not regarding any Pension Plans, Canadian Benefit Plans or Canadian Pension Plans), or under unemployment insurance; (d) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the Ordinary Course of Business; (e) Liens arising by virtue of the rendition, entry or issuance against any Credit Party or any Subsidiary, or any property of any Credit Party or any Subsidiary, of any judgment, writ, order, or decree to the extent the rendition, entry, issuance or continued existence of such judgment, writ, order or decree (or any event or circumstance relating thereto) has not resulted in the occurrence of an Event of Default under Section 10.6 hereof; (f) carriers', repairmens', mechanics', workers', materialmen's or other like Liens arising in the Ordinary Course of Business with respect to obligations which are not due or which are being Properly Contested; (g) Liens placed upon fixed assets hereafter acquired to secure a portion of the purchase price thereof, provided that any such lien shall not encumber any other property of any Credit Party other than such assets and proceeds thereof; (h) other Liens incidental to the conduct of any Credit Party's business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially detract from Agent's or Lenders' rights in and to the Collateral or the value of any Credit Party's property or assets or which do not materially impair the use thereof in the operation of any Credit Party's business; (i) [reserved]; (j) Liens disclosed on Schedule 1.2(b); provided that such Liens shall secure only those obligations which they secure on the Restatement Date (and extensions, renewals and refinancing of such obligations permitted by Section 7.8 hereof) and shall not subsequently apply to any other property or assets of any Credit Party other than the property and assets to which they apply as of Restatement Date; (k) Liens granted to an Insurance Premium Lender as security for Permitted Insurance Premium Financing Indebtedness; (l) Liens on the life insurance policy and proceeds thereof pursuant to the Domino Repurchase Agreement, and (m) Liens in connection with the Permitted Factoring Arrangements.

"Permitted Exchange of Rental Fleet Inventory" means any exchange or transfer of Rental Fleet Inventory among the Borrowers and their Subsidiaries from time to time in accordance with the requirements of the Business.

"Permitted Factoring Arrangements" shall mean the sale or other disposition of Receivables by a Borrower so long as (a) the Customer is (i) Schlumberger Technology Corporation or any of its Affiliates, (ii) Baker Hughes Incorporated or any of its Affiliates, or (iii) any other Person approved in writing by the Agent in its Permitted Discretion, (b) such sale is made pursuant to (i) a Supplier Agreement between any Borrower and each and any of Citibank, N.A., its branches and subsidiaries and affiliates or (ii) any other documentation and agreements in form and substance satisfactory to Agent in its Permitted Discretion, and (c) the net cash proceeds received by a Borrower from such sale are deposited in a Blocked Account.

"Permitted Foreign Subsidiary Investments" shall mean Investments by any Credit Party in any Foreign Subsidiary to the extent not otherwise constituting a Permitted Investment (a) in an aggregate amount not to exceed $10,000,000 since the Restatement Date or (b) so long as, at the time of making such Investment and after giving pro forma effect to such Investment, (i) the Fixed Charge Coverage Ratio as of the last day of the most recently ended fiscal quarter is not less than 1.20 to 1.00, (ii) Undrawn Availability is greater than or equal to twenty percent (20%) of the lesser of the (x) Maximum Revolving Advance Amount and (y) Formula Amount, and (iii) no Event of Default has occurred and is continuing.

"Permitted Indebtedness" shall mean: (a) the Obligations; (b) Indebtedness incurred for Capital Expenditures and any Permitted Refinancing thereof; (c) any guarantees of Indebtedness permitted under Section 7.3 hereof and any Permitted Refinancing thereof; (d) any Indebtedness listed on Schedule 7.8 as of the Restatement Date, and any Permitted Refinancing thereof; (e) Permitted Earn-Outs and Permitted Seller Debt; (f) Interest Rate Hedges and Foreign Currency Hedges that are entered into by Credit Parties to hedge their risks with respect to outstanding Indebtedness of Credit Parties and not for speculative or investment purposes; (g) [reserved]; (h) intercompany Indebtedness owing from one or more Credit Parties to any other one or more Credit Parties in accordance with clause (c) of the definition of Permitted Loans and Permitted Foreign Subsidiary Investments; (i) endorsement of negotiable instruments for deposit or collection in the ordinary course of business; (j) Indebtedness in respect of workers' compensation claims, self insurance obligations, performance bonds, surety appeal or similar bonds provided by a Credit Party in the Ordinary Course of Business; (k) Indebtedness consisting of Permitted Insurance Premium Financing Indebtedness; (l) Indebtedness owed to any Person providing property, casualty or liability insurance to a Credit Party in the Ordinary Course of Business in connection with the financing of insurance premiums; (m) any Subordinated Debt approved by Agent in its sole discretion; and (n) Indebtedness arising under the Permitted Factoring Arrangements.

"Permitted Insurance Premium Financing Indebtedness" means (a) Indebtedness evidenced by an insurance premium financing agreement with IPFS Corporation (including any amendments, re-financings, replacements and extensions thereof), (b) Indebtedness evidenced by an insurance premium financing agreement with respect to any directors and officers insurance obtained by any Credit Party and (c) Indebtedness arising under or in connection with the financing by any Credit Party of any insurance premiums, in which the insurance premium financier (the "Insurance Premium Lender") has agreed in writing for the benefit of Agent that (i) the Insurance Premium Lender shall provide Agent with 30 days prior written notice of any intended cancellation of a financed insurance policy (such notice to include a brief description of the grounds for cancellation and the actions necessary to cure any breach or default), (ii) Agent shall have the right, but not the

obligation, to cure any breach or default by the Credit Parties under the insurance premium financing arrangement (the "Insurance Premium Loan Documents") (and any fees, expenses, costs, or other sums paid by Agent to effectuate such a cure shall constitute a Protective Advance), (iii) any Lien of such Insurance Premium Lender is at all times junior in priority to the Liens in favor of Agent (except with respect to unearned premiums or otherwise to the extent such Liens have priority under Applicable Law), and (iv) if the Insurance Premium Lender sells, assigns, or otherwise transfers the Insurance Premium Loan Documents or the loan represented by the Insurance Premium Loan Documents, whether in whole or in part, the Insurance Premium Lender shall require that any such purchaser, assignee, or transferee agrees (in writing) to be bound by the foregoing terms and conditions.

"Permitted Investments" shall mean: (a) Investments in obligations issued or guaranteed by the United States of America or any agency thereof; (b) Investments in commercial paper with maturities of not more than 180 days and a published rating of not less than A-1 or P-1 (or the equivalent rating); (c) Investments in certificates of time deposit and bankers' acceptances having maturities of not more than 180 days and repurchase agreements backed by United States government securities of a commercial bank if (i) such bank has a combined capital and surplus of at least $500,000,000, or (ii) its debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency; (d) Investments in U.S. money market funds that invest solely in obligations issued or guaranteed by the United States of America or an agency thereof; (e) Permitted Loans; (f) Equity Interests owned in DTI Canada and Subsidiaries organized in Scotland on the Closing Date; (g) Permitted Foreign Subsidiary Investments; (h) Permitted Acquisitions; (i) Investments by Credit Parties organized under the laws of the United States or Canada (or any Province thereof) in Subsidiaries or other Credit Parties organized under the laws of the United States or Canada (or any Province thereof); (j) guarantees permitted by Section 7.3; (k) Investments received in connection with the dispositions of assets permitted by Section 7.1; (l) notes payable, or stock or other securities issued by an account debtor of any Credit Party to such Credit Party pursuant to negotiated agreements with respect to settlement of such account debtor's accounts in the Ordinary Course of Business; (m) Investments of any Person existing at the time such Person becomes a Subsidiary of any Credit Party or consolidates or merges into any Credit Party (including in connection with a Permitted Acquisition) so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such merger or consolidation; (n) any Permitted Exchange of Rental Fleet Inventory; and (o) the Specified Permitted Investments.

"Permitted Investors" means, collectively, (i) Thomas O. Hicks, (ii) Cinda Hicks, (iii) Mack H. Hicks, (iv) Thomas O. Hicks, Jr., and (v) TOH, Jr. Ventures, Ltd., MHH Ventures, Ltd., JAH Ventures, Ltd., RBH Ventures, Ltd., WCH Ventures, Ltd., and CFH Ventures, Ltd., but only to the extent the foregoing Persons described in this clause (v) are controlled by Thomas O. Hicks or, upon the death of Thomas O. Hicks, his estate or any other Person acceptable to Agent in its sole discretion.

"Permitted Loans" shall mean: (a) the extension of trade credit by a Borrower to its Customer(s), in the Ordinary Course of Business in connection with a sale of Inventory or rendition of services, in each case on open account terms; (b) loans to employees in the Ordinary Course of Business not to exceed as to all such loans the aggregate amount of $500,000 at any time outstanding; and (c) intercompany loans between and among Credit Parties, so long as, at the request of Agent, each such intercompany loan is evidenced by a promissory note (including, if applicable, any master intercompany note executed by Credit Parties) on terms and conditions (including terms subordinating payment of the indebtedness evidenced by such note to the prior payment in full of all Obligations) acceptable to Agent in its sole discretion that has been delivered to Agent either endorsed in blank or together with an undated instrument of transfer executed in blank by the applicable Credit Party that are the payee(s) on such note.

"Permitted Refinancing" means any Indebtedness incurred or issued in exchange for, or the net cash proceeds of which are used solely to extend, refinance, renew, replace, defease or refund, existing Indebtedness, in whole or in part, from time to time; *provided* that (a) the principal amount of such Permitted Refinancing (or if such Permitted Refinancing is issued at a discount, the initial issuance price of such Permitted Refinancing) does not exceed the principal amount of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of any premiums, accrued and unpaid interest, fees and expenses incurred in connection therewith), (b) no Subsidiary of any Credit Party is required to Guarantee such Permitted Refinancing unless such Subsidiary is (or concurrently with any such Guarantee becomes) a Guarantor hereunder, and (c) to the extent such Permitted Refinancing is expressly subordinate to the payment in full of all of the Obligations, the subordination provisions contained therein are either (x) at least as favorable to the Agent and the Lenders as the subordination provisions contained in the existing Indebtedness or (y) satisfactory to the Agent and the Required Lenders in their Permitted Discretion.

"Permitted Seller Debt" shall mean, collectively, any unsecured Indebtedness incurred in connection with a Permitted Acquisition, payable to the seller in connection therewith and containing subordination terms (or subject to a subordination agreement in favor of Agent and Lenders) and other terms and conditions acceptable to Agent in its Permitted Discretion.

"Person" shall mean any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, unlimited liability company, limited liability partnership, institution, public benefit corporation, joint venture, entity or Governmental Body (whether federal, provincial, territorial, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Benefit Plan and a Multiemployer Plan, as defined herein) maintained by any Credit Party or any member of the Controlled Group or to which any Credit Party or any member of the Controlled Group is required to contribute, but for the avoidance of doubt, does not include a Canadian Pension Plan or a Canadian Benefit Plan.

"Pledge Agreements" shall mean (i) that certain Pledge Agreement executed by Parent in favor of Agent dated as of the Restatement Date, (ii) that certain Amended and Restated Pledge Agreement executed by Holdings in favor of Agent dated as of the Restatement Date, (iii) that certain Amended and Restated Pledge Agreement executed by DTI in favor of Agent dated as of the Restatement Date, and (iv) any other pledge agreements executed subsequent to the Restatement Date by any other Person to secure the Obligations, in each case, as may be amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time.

"PPSA" shall mean the *Personal Property Security Act* as the same may from time to time be in effect in the Province of Alberta or the *Personal Property Security Act* (or Quebec Civil Code) as the same may from time to time be in effect in another Canadian jurisdiction, in each case, to the extent it may be required to apply to any item or items of Collateral, including the regulations and orders promulgated thereunder. References to sections of the PPSA shall be construed to also refer to any successor sections.

"Preferred Equity Interests" means (a) all shares of the Series A Convertible Preferred Stock that were issued pursuant to that certain Stock Purchase Agreement dated as of December 29, 2015, among Holdings and the buyers identified therein and (b) all shares of Series A Convertible Preferred Stock that have been issued or will be issued in satisfaction of the dividend payable with respect to issued and outstanding shares of the Series A Convertible Preferred Stock pursuant to the terms of the Series A Convertible Preferred Stock set forth in Holding's Certificate of Incorporation.

"Premium Tools" shall have the meaning set forth in the preamble to this Agreement.

"Priority Payables" shall mean (a) the full amount of the liabilities of any Canadian Borrower which (i) have a trust imposed to provide for payment or a security interest, pledge, Lien, hypothec or charge ranking or capable of ranking senior to or pari passu with security interests, Liens, hypothecs or charges securing the Obligations on any Collateral under any federal, provincial, state, county, district, municipal, local or foreign law or (ii) have a right imposed to provide for payment ranking or capable of ranking senior to or pari passu with the Obligations under local or national law, regulation or directive, including, but not limited to, claims for unremitted and/or accelerated rents, taxes, wages (including, without limitation, wages under the Wage Earner Protection Program Act), withholdings taxes, value added taxes and other amounts payable to an insolvency administrator, employee withholdings or deductions and vacation pay (including, without limitation, vacation pay under the Wage Earner Protection Program Act), severance and termination pay, workers compensation obligations, government royalties or pension obligations in each case to the extent such trust, or security interest, Lien, hypothec or charge has been or may be imposed and (b) the amount equal to the aggregate value of the Inventory which the Agent, in good faith, and on a reasonable basis, considers is or may be subject to retention of title by a supplier or a right of a supplier to recover possession thereof, where such suppliers right has priority over the security interests, Liens, hypothecs or charges securing the Obligations, including, without limitation, Inventory subject to a right of a supplier to repossess goods pursuant to Section 81.1 of the Bankruptcy and Insolvency Act (Canada) or any applicable laws granting revendication or similar rights to unpaid suppliers or any similar laws of Canada or any other applicable jurisdiction (provided that, to the extent such Inventory has been excluded from Eligible Inventory, the amount owing to the supplier shall not be considered a Priority Payable).

"Pro Forma Balance Sheet" shall have the meaning set forth in Section 5.5(a) hereof.

"Pro Forma EBITDA" shall mean for any period and calculated with respect to any acquired Person or assets, the sum of (a) net income (or loss) for such period (excluding non-cash gains and non-cash losses), plus (b) all interest expense for such period, plus (c) all charges against income for such period for federal, state and taxes, plus (d) depreciation expenses for such period, plus (e) amortization expenses (including amortization of goodwill) for such period.

"Pro Forma Financial Statements" shall have the meaning set forth in Section 5.5(b) hereof.

"Projections" shall have the meaning set forth in Section 5.5(b) hereof.

"Properly Contested" shall mean, in the case of any Indebtedness, Lien or Taxes, as applicable, of any Person that are not paid as and when due or payable by reason of such Person's bona fide dispute concerning its liability to pay the same or concerning the amount thereof: (a) such Indebtedness, Lien or Taxes, as applicable, are being properly contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (b) such Person has established appropriate reserves and as shall be required in conformity with GAAP; (c) the non-payment of such Indebtedness or Taxes will not have a Material Adverse Effect or will not result in the forfeiture of any assets of such Person; (d) no Lien is imposed upon any of such Person's assets with respect to such Indebtedness or Taxes unless such Lien (x) does not attach to any Receivables or Inventory, (y) is at all times junior and subordinate in priority to the Liens in favor of the Agent (except only with respect to property Taxes that have priority as a matter of applicable state law) and, (z) enforcement of such Lien is stayed during the period prior to the final resolution or disposition of such dispute; and (e) if such Indebtedness or Lien, as applicable, results from, or is determined by the entry, rendition or issuance against a Person or any of its assets of a judgment, writ, order or decree, enforcement of such judgment, writ, order or decree is stayed pending a timely appeal or other judicial review.

"Protective Advances" shall have the meaning set forth in Section 17.2(f) hereof.

"Proxy Statement" shall have the meaning set forth in Section 5.5(a).

"Purchasing CLO" shall have the meaning set forth in Section 17.3(d) hereof.

"Purchasing Lender" shall have the meaning set forth in Section 17.3(c) hereof.

"Qualified ECP Loan Party" shall mean each Borrower or Guarantor that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust, or other entity other than a "commodity pool" as defined in Section 1a(10) of the CEA and CFTC regulations thereunder that has total assets exceeding $10,000,000 or (b) an Eligible Contract Participant that can cause another person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the CEA by entering into or otherwise providing a "letter of credit or keepwell, support, or other agreement" for purposes of Section 1a(18)(A)(v)(II) of the CEA.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as same may be amended from time to time.

"Real Property" shall mean all real property owned or leased as identified on Schedule 4.4 hereto or which is hereafter owned or leased by any Credit Party.

"Reamco" shall have the meaning set forth in the preamble to this Agreement.

"Receivables" shall mean and include, as to each Credit Party, all of such Credit Party's accounts, contract rights, instruments (including those evidencing indebtedness owed to such Credit Party by its Affiliates), documents, chattel paper (including electronic chattel paper), general intangibles relating to accounts, and drafts and acceptances, credit card receivables and all other forms of obligations owing to such Credit Party arising out of or in connection with the sale or lease of Inventory or Equipment or the rendition of services, all supporting obligations, guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(i) hereof.

"Recipient" shall mean (a) the Agent and (b) any Lender, Swing Loan Lender, Issuer or Participant, as applicable.

"Register" shall have the meaning set forth in Section 17.3(e) hereof.

"Reimbursement Obligation" shall have the meaning set forth in Section 2.13(b) hereof.

"Release" shall have the meaning set forth in Section 5.7(d)(i) hereof.

"Rental Agreement" means any lease, contract, rental agreement, purchase order, delivery receipt, confirmation, or similar contractual or other arrangement by and between or among any Person that is not a Credit Party or an Affiliate thereof (excluding other portfolio companies of the Sponsor approved by Agent in its Permitted Discretion) and any Borrower, made in such Borrower's Ordinary Course of Business, setting forth the terms and conditions governing or otherwise related to rental and/or lease of Rental Fleet Inventory.

"Rental Fleet Inventory" shall mean Inventory, excluding work in progress, consisting of rental Equipment characterized as drilling motors, drill pipes, tubular goods, tool supply kits, drill collars, stabilizers and sub-assemblies that the Borrowers lease or rent to customers pursuant to a Rental Agreement.

"Reportable Compliance Event" shall mean (a) any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in violation of any Anti-Terrorism Law; (b) any Covered Entity engages in a transaction that causes Agent or any Lender to be in violation of any Anti-Terrorism Laws, including a Covered Entity's use of any proceeds of Advances to fund any operations in, finance any investments or activities in, or, make any payments to, directly or indirectly, a Sanctioned Jurisdiction or Sanctioned Person; or (c) any Collateral becomes Embargoed Property.

"Reportable Event" shall mean a reportable event described in Section 4043(c) of ERISA or the regulations promulgated thereunder for which the thirty (30) day notice period has not been waived.

"Required Lenders" shall mean Lenders holding more than fifty percent (50%) of the sum of the Advances and, if no Advances are outstanding, shall mean Lenders holding more than fifty percent (50%) of the Revolving Commitment Percentages. Notwithstanding the foregoing, at any time there are two (2) or more unaffiliated Lenders, at least two (2) such Lenders shall be required to constitute "Required Lenders" hereunder.

"Reserves" shall mean reserves against the Maximum Revolving Advance Amount, or the Formula Amount, as Agent may deem proper and necessary in its Permitted Discretion to impose from time to time based on a change in circumstances or the occurrence of events after the Restatement Date, including in respect of Priority Payables relating to any Canadian Borrower.

"Restatement Date" shall mean June 20, 2023.

"Revolving Advances" shall mean Advances made other than Letters of Credit and Swing Loans.

"Revolving Commitment Amount" shall mean, as to any Lender, the Revolving Commitment amount (if any) set forth below such Lender's name on the signature page hereto (or, in the case of any Lender that became party to this Agreement after the Restatement Date pursuant to Section 17.3(c) or (d) hereof, the Revolving Commitment amount (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement), or any assignment by or to such Lender pursuant to Section 17.3(c) or (d) hereof.

"Revolving Commitment Percentage" shall mean, as to any Lender, the Revolving Commitment Percentage (if any) set forth below such Lender's name on the signature page hereof (or, in the case of any Lender that became party to this Agreement after the Restatement Date pursuant to Section 17.3(c) or (d) hereof, the Revolving Commitment Percentage (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement), or any assignment by or to such Lender pursuant to Section 17.3(c) or (d) hereof.

"Revolving Commitments" shall mean, collectively, the commitments of the Revolving Lenders to make Revolving Advances and acquire participation interests in Letters of Credit as provided for in this Agreement in an aggregate amount not to exceed the Maximum Revolving Advance Amount as in effect from time to time.

"Revolving Credit Note" shall mean, collectively, the promissory notes referred to in Section 2.1(a) hereof.

"Revolving Interest Rate" shall mean, (a) with respect to Domestic Rate Loans and Swing Loans, an interest rate per annum equal to the sum of the Applicable Margin plus the Alternate Base Rate (b) with respect to Term SOFR Rate Loans, the sum of the Applicable Margin plus Term SOFR Rate.

"Revolving Lender" shall mean each Lender that holds a Revolving Commitment and/or any interest in any Revolving Advances.

"ROC Merger Agreement" shall mean that certain Agreement and Plan of Merger dated as of February 13, 2023, by and among Holdings, ROC Energy Acquisition Corp., and ROC Merger Sub, Inc., as amended by that certain First Amendment to Agreement and Plan of Merger dated as of June 5, 2023, by and among Holdings, ROC Energy Acquisition Corp., and ROC Merger Sub, Inc.

"Sanctioned Jurisdiction" shall mean a country subject to a sanctions program maintained by any Compliance Authority.

"Sanctioned Person" shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

"SEC" shall mean the Securities and Exchange Commission or any other similar applicable authority in any applicable jurisdiction or any successor thereto.

"Secured Parties" shall mean, collectively, Agent, Issuer, Swing Loan Lender and Lenders, together with any Affiliates of Agent or any Lender to whom any Hedge Liabilities or Cash Management Liabilities are owed and with each other holder of any of the Obligations, and the respective successors and permitted assigns of each of them.

"Securities Act" shall mean the Securities Act of 1933, or any similar applicable statute in any applicable jurisdiction, as amended.

"Security Agreement" shall mean any security agreement or general security agreement executed and delivered in favor of Agent pursuant to this Agreement or any Other Document, in each case, as amended and restated, modified and supplemented from time to time.

"Settlement Date" shall mean the Closing Date and thereafter Wednesday or Thursday of each week or more frequently if Agent deems appropriate unless such day is not a Business Day in which case it shall be the next succeeding Business Day.

"Slick Tools" shall have the meaning set forth in the preamble to this Agreement.

"SOFR" shall mean, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Adjustment" shall mean, the following:

SOFR Adjustment	Interest Period
10 basis points (0.10%)	For a 1-month Interest Period
15 basis points (0.15%)	For a 3-month Interest Period
25 basis points (0.25%)	For a 6-month Interest Period

"SOFR Determination Date" shall have the meaning set forth in the definition of Daily Simple SOFR.

"SOFR Floor" means a rate of zero.

"SOFR Rate Day" shall have the meaning set forth in the definition of Daily Simple SOFR.

"SOFR Reserve Percentage" shall mean, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

"Specified Canadian Pension Plan" means any Canadian Pension Plan which contains a "defined benefit provision", as defined in subsection 147.1(1) of the ITA.

"Specified Permitted Investments" shall mean Investments in Equity Interests of Superior Drilling Products, Inc., a Utah corporation ("Superior Drilling"), not exceeding the lesser of (a) the aggregate amount paid to purchase 4.9% of the Equity Interests of Superior Drilling; and (b) $1,000,000 in the aggregate.

"Specified Permitted Investments Account" shall mean a securities, investment, or other similar brokerage account maintained by a Borrower and exclusively used to hold the Equity Interests of Specified Permitted Investments.

"Specified ROC Merger Costs" shall mean the fees and expenses directly resulting from the transactions contemplated by the ROC Merger Agreement that are paid in cash by the Credit Parties on the Restatement Date and set forth on a funds flow statement in form and detail satisfactory to Agent in its Permitted Discretion.

"Sponsor" shall mean, individually and collectively, HHEP-Directional, L.P., a Delaware limited partnership and any Affiliate thereof. For purposes of this definition "control" shall mean the power to direct or cause the direction of management and policies of a Person, whether by contract or otherwise.

"Subordinated Debt" shall mean (a) any Permitted Earn-Out, (b) any Permitted Seller Debt, and (c) any other unsecured Indebtedness of a Credit Party or a Subsidiary which has subordination terms, covenants, pricing and other terms which are acceptable to Agent in its Permitted Discretion.

"Subsidiary" of any Person shall mean a corporation or other entity of whose Equity Interests having ordinary voting power (other than Equity Interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person.

"Subsidiary Stock" shall mean (a) with respect to the Equity Interests issued to a Credit Party by any Subsidiary (other than a Foreign Subsidiary), 100% of such issued and outstanding

Equity Interests, and (b) with respect to any Equity Interests issued to a Credit Party by any Foreign Subsidiary that is a direct subsidiary thereof (i) 100% of such issued and outstanding Equity Interests not entitled to vote and (ii) 100% of the total combined voting power of all classes of stock entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) or such smaller percentage of such issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956 2(c)(2)) that (x) would not cause the undistributed earnings of such Foreign Subsidiary as determined for United States federal income tax purposes to be treated as income includible by such Credit Party (or another affiliate thereof) pursuant to Section 951(a)(1)(B) of the Code and (y) would not cause any material adverse tax consequences.

"Swap" shall mean any "swap" as defined in Section 1 a(47) of the CEA and regulations thereunder, other than (a) a swap entered into, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

"Swap Obligation" shall mean any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Lender-Provided Interest Rate Hedge, or a Lender-Provided Foreign Currency Hedge.

"Swing Loan Lender" shall mean PNC, in its capacity as lender of the Swing Loans.

"Swing Loan Note" shall have the meaning set forth in Section 2.4(a) hereof.

"Swing Loan Request" shall mean a request for Swing Loans made in accordance when Section 2.4(a) hereof.

"Swing Loans" shall mean collectively and "Swing Loan" shall mean separately all Swing Loans or any Swing Loan made by PNC to Borrowers pursuant to Section 2.4(a) hereof.

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

"Term" shall have the meaning set forth in Section 13.1 hereof.

"Term SOFR Administrator" shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

"Term SOFR Determination Date" shall have the meaning set forth in the definition of Term SOFR Rate.

"Term SOFR Rate" shall mean, with respect to any Term SOFR Rate Loan for any Interest Period, the interest rate per annum determined by the Agent by dividing (the resulting quotient rounded upwards, at the Agent's discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for a tenor comparable to such Interest Period on the day (the "Term SOFR Determination Date") that is two (2) Business Days prior to the first day of such Interest Period,

as such rate is published by the Term SOFR Administrator, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. on the Term SOFR Determination Date, then the Term SOFR Reference Rate, for purposes of clause (A) in the preceding sentence, shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above, would be less than the SOFR Floor, then the Term SOFR Rate shall be deemed to be the SOFR Floor. The Term SOFR Rate shall be adjusted automatically without notice to the Borrowing Agent on and as of (i) the first day of each Interest Period, and (ii) the effective date of any change in the SOFR Reserve Percentage.

"Term SOFR Rate Loan" shall mean an Advance that bears interest based on Term SOFR Rate.

"Term SOFR Reference Rate" shall mean the forward-looking term rate based on SOFR.

"Termination Event" shall mean: (a) a Reportable Event with respect to any Pension Benefit Plan; (b) the withdrawal of any Credit Party or any member of the Controlled Group from a Multiple Employer Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) the providing of notice of intent to terminate a Pension Benefit Plan in a distress termination described in Section 4041(c) of ERISA; (d) the commencement of proceedings by the PBGC to terminate a Pension Benefit Plan; (e) any event or condition (a) which constitutes or may reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Benefit Plan, or (b) that results or may be reasonably expected to result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; (f) the partial or complete withdrawal within the meaning of Section 4203 or 4205 of ERISA, of any Credit Party or any member of the Controlled Group from a Multiemployer Plan; (g) receipt by any Credit Party or any member of the Controlled Group of notice that a Multiemployer Plan is subject to Section 4245 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent, upon any Credit Party or any member of the Controlled Group.

"Toxic Substance" shall mean and include any material present on the Real Property which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601 et seq., or any similar applicable state or provincial law, or any other Applicable Laws now in force or hereafter enacted relating to toxic substances. "Toxic Substance" includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead- based paints.

"Transactions" shall have the meaning set forth in Section 5.5(a) hereof.

"Transferee" shall have the meaning set forth in Section 17.3(d) hereof.

"Undrawn Availability" at a particular date shall mean an amount equal to (a) the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Advance Amount minus Reserves implemented pursuant to Section 2.1 of the Credit Agreement minus the Maximum Undrawn Amount of all outstanding Letters of Credit, minus (b) the outstanding amount of Revolving Advances.

"Unfinanced Capital Expenditures" shall mean, as to any Credit Party, without duplication, a Capital Expenditure funded (a) from such Credit Party's internally generated cash flow or (b) with the proceeds of a Revolving Advance or Swing Loan.

"Uniform Commercial Code" shall have the meaning set forth in Section 1.3 hereof.

"Unrestricted Cash" shall mean, as of any date of determination, the Credit Parties' cash and cash equivalents that (i) does not appear as "restricted" on such Credit Parties' balance sheet and has not otherwise been reserved for any specific purpose that would require it to be treated as "restricted" on such Credit Parties' balance sheet, in each case other than as a result of a Lien in favor of Agent, (ii) is subject to a perfected Lien in favor of Agent as a result of being in an account maintained with Agent (so long as the Agent is also the sole Lender) or pursuant to an account control agreement in favor of Agent, and (iii) is not subject to a Lien other than Liens in favor of Agent and non-consensual Permitted Encumbrances, including, without limitation, Liens of the applicable bank at which such cash or cash equivalents are maintained, and (iv) does not constitute proceeds of any Collateral, that as of such date, is included in the Formula Amount.

"Unused Line Fees" shall have the meaning assigned to it in the Restatement Date Fee Letter.

"USA PATRIOT Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107- 56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

"U.S. Borrowers" shall mean the Borrowers that are organized under the laws of the United States.

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

"U.S. Person" shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"Week" shall mean the time period commencing with the opening of business on a Wednesday and ending on the end of business the following Tuesday.

1.3 Uniform Commercial Code Terms. All terms used herein and defined in the Uniform Commercial Code as adopted in the State of New York from time to time (the "Uniform Commercial Code") shall have the meaning given therein unless otherwise defined herein. Without limiting the foregoing, the terms "accounts", "chattel paper" (and "electronic chattel paper" and "tangible chattel paper"), "commercial tort claims", "deposit accounts", "documents", "equipment", "financial asset", "fixtures", "general intangibles", "goods", "instruments",

“inventory”, “investment property”, “letter-of-credit rights”, “payment intangibles”, “proceeds”, “promissory note” “securities”, “software” and “supporting obligations” as and when used in the description of Collateral shall have the meanings given to such terms in Article 8 or 9 of the Uniform Commercial Code. To the extent the definition of any category or type of collateral is expanded by any amendment, modification or revision to the Uniform Commercial Code, such expanded definition will apply automatically as of the date of such amendment, modification or revision. In addition, without limiting the foregoing, the terms “accounts”, “chattel paper”, “goods”, “instruments”, “intangibles”, “proceeds”, “securities”, “investment property”, “document of title”, “inventory” and “equipment”, as and when used in the description of Collateral located in Canada shall have the meanings given to such terms in the PPSA.

1.4 Certain Matters of Construction. The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. All references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements to which Agent is a party, including references to any of the Other Documents, shall include any and all modifications, supplements or amendments thereto, any and all restatements or replacements thereof and any and all extensions or renewals thereof. All references herein to the time of day shall mean the time in New York, New York. Unless otherwise provided, all financial calculations shall be performed with Inventory valued on a first- in, first-out basis. Whenever the words “including” or “include” shall be used, such words shall be understood to mean “including, without limitation” or “include, without limitation”. A Default or an Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement or, in the case of a Default, is cured within any period of cure expressly provided for in this Agreement; and an Event of Default shall “continue” or be “continuing” until such Event of Default has been waived in writing by the Required Lenders or all Lenders, as applicable. Any Lien referred to in this Agreement or any of the Other Documents as having been created in favor of Agent, any agreement entered into by Agent pursuant to this Agreement or any of the Other Documents, any payment made by or to or funds received by Agent pursuant to or as contemplated by this Agreement or any of the Other Documents, or any act taken or omitted to be taken by Agent, shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of Agent and Lenders. Wherever the phrase “to the Credit Parties’ knowledge” or words of similar import relating to the knowledge or the awareness of any Credit Party are used in this Agreement or Other Documents, such phrase shall mean and refer to (i) the actual knowledge of an Authorized Officer of any Credit Party or (ii) the knowledge that an Authorized Officer would have obtained if he had made reasonably specific inquiries as may be necessary of the employees or agents of such Credit Party and a good faith attempt to ascertain the existence or accuracy of the matter to which such phrase relates. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder.

1.5 Canadian Terms. In this Agreement, (i) any term defined in this Agreement by reference to the "Uniform Commercial Code" shall also have any extended, alternative or analogous meaning given to such term in applicable Canadian personal property security and other Laws (including, without limitation, the PPSA, the *Bills of Exchange Act* (Canada) and the *Depository Bills and Notes Act* (Canada)), in all cases for the extension, preservation or betterment of the security and rights of the Agent, (ii) all references in this Agreement to "Article 8 of the Code" or "Article 8 of the Uniform Commercial Code" shall be deemed to refer also to applicable Canadian securities transfer Laws (including, without limitation, the Securities Transfer Act (Alberta)), (iii) all references in this Agreement to the United States Copyright Office or the United States Patent and Trademark Office shall be deemed to refer also to the Canadian Intellectual Property Office, (iv) all references in this Agreement to a financing statement, continuation statement, amendment or termination statement shall be deemed to refer also to the analogous documents used under applicable Canadian personal property security laws, (v) all references to the United States of America, or to any subdivision, department, agency or instrumentality thereof shall be deemed to refer also to Canada, or to any subdivision, department, agency or instrumentality thereof, (vi) all references to federal or state securities law of the United States shall be deemed to refer also to analogous federal, provincial and territorial securities laws in Canada, (vii) all references to "state or federal bankruptcy laws" shall be deemed to refer also to any insolvency proceeding occurring in Canada or under Canadian law, and (viii) all calculations, comparisons, measurements or determinations under this Agreement shall be made in Dollars and all of the property and assets of the Credit Parties, including, without limitation, its Receivables, Equipment and Inventory, shall be valued in, and converted into, Dollars in accordance with PNC's customary banking and conversion practices and procedures. For greater certainty, it is hereby understood and agreed by the parties hereto that the definition and use of the term "Permitted Encumbrances" herein shall mean that such encumbrances are permitted to exist but shall in no way be interpreted to mean that such encumbrances are entitled to any priority over Agent's security interests and Liens and the Borrowers and Guarantors hereby specifically and expressly acknowledge and agree that any such encumbrances not properly perfected under Applicable Law shall not be entitled to priority over Agent's security interests and Liens and that this Agreement is not intended and shall not confer any rights upon any Person whatsoever who is not a party to this Agreement.

1.6 Term SOFR Notification. Section 3.8.2 of this Agreement provides a mechanism for determining an alternate rate of interest in the event that the Term SOFR Rate is no longer available or in certain other circumstances. The Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the Term SOFR Rate or other rates in the definition of "Term SOFR Rate" or with respect to any alternative or successor rate thereto, or replacement rate therefor.

1.7 Conforming Changes Relating to the Term SOFR Rate. With respect to the Term SOFR Rate, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any Other Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any Other Document; provided that, with respect to any such amendment effected, the Agent shall provide notice to the Borrowing Agent and the Lenders of each such amendment implementing such Conforming Changes reasonably promptly after such amendment becomes effective.

II. ADVANCES, PAYMENTS.

2.1 Revolving Advances.

(a) Amount of Revolving Advances. Subject to the terms and conditions set forth in this Agreement specifically including Sections 2.1(b) and (c), each Revolving Lender, severally and not jointly, will make Revolving Advances to Borrowers in aggregate amounts outstanding at any time equal to such Revolving Lender's Revolving Commitment Percentage of the lesser of (x) the Maximum Revolving Advance Amount less the outstanding amount of Swing Loans, less the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit, less Reserves established hereunder or (y) an amount equal to the sum of:

(i) eighty-five percent (85%), subject to the provisions of Section 2.1(b) hereof ("Receivables Advance Rate"), of Eligible Receivables, plus

(ii) the lesser of (A) eighty-five percent (85%), subject to the provisions of Section 2.1(b), of Eligible Unbilled Receivables or (B) $6,000,000 ("Unbilled Receivables Advance Rate"); plus

(iii) the lesser of (A) fifty percent (50%), subject to the provisions of Section 2.1(b), of Eligible Inventory or (B) $1,200,000 (the "Eligible Inventory Advance Rate"), plus

(iv) forty percent (40%) of the Net Orderly Liquidation Value of the Eligible Rental Fleet Inventory (as evidenced by an NOLV Appraisal) (the "Eligible Rental Fleet Inventory Advance Rate"); plus

(v) forty percent (40%) of the Hard Cost of newly acquired Eligible Rental Fleet Inventory (the "Hard Cost Eligible Rental Fleet Inventory Advance Rate"; together with the Receivables Advance Rate, the Unbilled Receivables Advance Rate, the Eligible Inventory Advance Rate and the Eligible Rental Fleet Inventory Advance Rate, collectively, the "Advance Rates"); minus

(vi) with respect to any Eligible Rental Fleet Inventory sold, transferred or otherwise disposed of by a Borrower, or subject to a casualty event, after the Closing Date, the following amount: (A) with respect to newly acquired Eligible Rental Fleet Inventory, an amount equal to the product of Hard Cost, times the Hard Cost Eligible Rental Fleet Inventory Advance Rate in effect at such time and (B) with respect to Eligible Rental Fleet Inventory, an amount equal to the product of the Net Orderly Liquidation Value of such asset pursuant to the most recent NOLV Appraisal, times the Eligible Rental Fleet Inventory Advance Rate, minus

(vii) the Maximum Undrawn Amount of all outstanding Letters of Credit, minus

(viii) any Reserves established hereunder.

The amount derived from the sum of (x) Sections 2.1(a)(y)(i), (ii), (iii), (iv), and (v) minus (y) Sections 2.1(a)(y)(vi), (vii) and (viii) at any time and from time to time shall be referred to as the "Formula Amount". The Revolving Advances shall, upon the request of a Lender, be evidenced by one or more secured promissory notes (collectively, the "Revolving Credit Note") substantially in the form attached hereto as Exhibit 2.1(a).

(b) Discretionary Rights. The Advance Rates may be increased or decreased by Agent at any time and from time to time in the exercise of its Permitted Discretion. Each Borrower consents to any such increases or decreases and acknowledges that decreasing the Advance Rates or increasing or imposing reserves may limit or restrict Advances requested by Borrowing Agent. Prior to the occurrence of an Event of Default or Default, Agent shall give Borrowing Agent five (5) days prior written notice of its intention to decrease the Advance Rates; *provided*, *however*, no Borrower nor any Guarantor shall have any right of action whatsoever against Agent for, and Agent shall not be liable for any damages resulting from, the failure of Agent to provide the prior notice contemplated in this sentence. The rights of Agent under this subsection are subject to the provisions of Section 17.2(b).

(c) Canadian Borrowers. Notwithstanding anything in this Agreement to the contrary, for the avoidance of doubt, any Revolving Advances to Canadian Borrowers shall be made in Dollars.

(d) Notwithstanding anything in this Agreement to the contrary, in no event shall Advances pursuant to clause (a)(y)(iv) and (a)(y)(v) above with respect to all Rental Fleet Inventory at any time exceed $37,500,000.

2.2 Procedure for Revolving Advances Borrowing.

(a) Borrowing Agent on behalf of any Borrower may notify Agent prior to 1:00 p.m. on a Business Day of a Borrower's request to incur, on that day, a Revolving Advance hereunder. Should any amount required to be paid as interest hereunder, or as fees or other charges under this Agreement or any Other Document, or with respect to any other Obligation, become due the same shall be deemed a request for a Revolving Advance maintained as a Domestic Rate Loan as of the date such payment is due, in the amount required to pay in full such interest, fee, charge or Obligation under this Agreement or any Other Document and such request shall be irrevocable.

(b) Notwithstanding the provisions of subsection (a) above, in the event Borrowers desire to obtain a Term SOFR Rate Loan for any Advance (other than a Swing Loan), Borrowing Agent shall give Agent written notice by no later than 1:00 p.m. on the day which is three (3) Business Days prior to the date such Term SOFR Rate Loan is to be borrowed, specifying (i) the date of the proposed borrowing (which shall be a Business Day), (ii) the amount of such Advance to be borrowed, which amount shall be in a minimum amount of $500,000 and in integral multiples of $250,000 in excess thereof thereafter, and (iii) the duration of the first Interest Period

therefor. Interest Periods for Term SOFR Rate Loans shall be for one, three, or six months; provided, if an Interest Period would end on a day that is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the Interest Period shall end on the next preceding Business Day. Any Interest Period that begins on the last Business Day of a calendar month (or a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. Upon and after the occurrence and during the continuation of an Event of Default, at the option of Agent or at the direction of Required Lenders, no Term SOFR Rate Loan shall be made available to any Borrower. After giving effect to each requested Term SOFR Rate Loan, including those which are converted from a Domestic Rate Loan under Section 2.2(d), there shall not be outstanding more than five (5) Term SOFR Rate Loans, in the aggregate.

(c) Each Interest Period of a Term SOFR Rate Loan shall commence on the date such Term SOFR Rate Loan is made and shall end on such date as Borrowing Agent may elect as set forth in subsection (b)(iii) above or subsection (d) below, provided, that no Interest Period shall end after the last day of the Term.

(d) Borrowing Agent shall elect the initial Interest Period applicable to a Term SOFR Rate Loan by its notice of borrowing given to Agent pursuant to Section 2.2(b) or by its notice of conversion given to Agent pursuant to Section 2.2(e), as the case may be. Borrowing Agent shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not later than 11:00 a.m. on the day which is three (3) Business Days prior to the last day of the then current Interest Period applicable to such Term SOFR Rate Loan. If Agent does not receive timely notice of the Interest Period elected by Borrowing Agent, Borrowing Agent shall be deemed to have elected to convert such Term SOFR Rate Loan to a Domestic Rate Loan subject to Section 2.2(e) below.

(e) Provided that no Default or Event of Default shall have occurred and be continuing, Borrowing Agent may, on the last Business Day of the then current Interest Period applicable to any outstanding Term SOFR Rate Loan, or on any Business Day with respect to Domestic Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount provided that any conversion of a Term SOFR Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such Term SOFR Rate Loan; *provided, however*, that Agent may elect to suspend the right of Borrowers to maintain Advances as Term SOFR Rate Loans while an Event of Default is continuing. If Borrowing Agent desires to convert a loan, Borrowing Agent shall give Agent written notice by no later than 11:00 a.m. (i) on the day which is three (3) Business Days prior to the date on which such conversion is to occur with respect to a conversion from a Domestic Rate Loan to a Term SOFR Rate Loan, or (ii) on the day which is one (1) Business Day prior to the date on which such conversion is to occur (which date shall be the last Business Day of the Interest Period for the applicable Term SOFR Rate Loan) with respect to a conversion from a Term SOFR Rate Loan to a Domestic Rate Loan, specifying, in each case, the date of such conversion, the loans to be converted and if the conversion is to a Term SOFR Rate Loan, the duration of the first Interest Period therefor.

(f) At its option and upon written notice given prior to 1:00 p.m. at least three (3) Business Days' prior to the date of such prepayment (or such shorter period as agreed to in writing by Agent), any Borrower may prepay the Term SOFR Rate Loans in whole at any time or in part from time to time with accrued interest on the principal being prepaid to the date of such repayment. Such Borrower shall specify the date of prepayment of Advances which are Term SOFR Rate Loans and the amount of such prepayment. In the event that any prepayment of a Term SOFR Rate Loan is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, such Borrower shall indemnify Agent and Lenders therefor in accordance with Section 2.2(g) hereof.

(g) Each Borrower shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all actual losses or expenses (excluding lost profits) that Agent and Lenders may sustain or incur as a consequence of any prepayment, conversion of or any default by any Borrower in the payment of the principal of or interest on any Term SOFR Rate Loan or failure by any Borrower to complete a borrowing of, a prepayment of or conversion of or to a Term SOFR Rate Loan after notice thereof has been given, including, but not limited to, any interest payable by Agent or Lenders to lenders of funds obtained by it in order to make or maintain its Term SOFR Rate Loans hereunder. In the case of any Term SOFR Rate Loan, any losses or expenses to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Term SOFR Rate Loan had such event described in the immediately preceding sentence not occurred, at the Term SOFR Rate that would have been applicable to such Term SOFR Rate Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Term SOFR Rate Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks offering loans based on SOFR. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrowing Agent shall be conclusive absent manifest error.

(h) Notwithstanding any other provision hereof, if any Applicable Law, treaty, regulation or directive, or any change therein or in the interpretation or application thereof, including without limitation any Change in Law, shall make it unlawful for Lenders or any Lender (for purposes of this subsection (h), the term "Lender" shall include any Lender and the office or branch where any Lender or any Person controlling such Lender makes or maintains any Term SOFR Rate Loans) to make or maintain its Term SOFR Rate Loans, the obligation of Lenders (or such affected Lender) to make Term SOFR Rate Loans hereunder shall forthwith be cancelled and Borrowers shall, if any affected Term SOFR Rate Loans are then outstanding, promptly upon request from Agent, either pay all such affected Term SOFR Rate Loans or convert such affected Term SOFR Rate Loans into loans of another type. If any such payment or conversion of any Term SOFR Rate Loan is made on a day that is not the last day of the Interest Period applicable to such Term SOFR Rate Loan, Borrowers shall pay Agent, upon Agent's request, such amount or amounts set forth in clause (g) above. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Lenders to Borrowing Agent shall be conclusive absent manifest error.

(i) Notwithstanding any other provision hereof, neither any Agent nor any Lender, nor any of their participants, is required actually to acquire Term SOFR deposits to fund or otherwise match fund any Obligation as to which interest accrues based on the Term SOFR Rate. The provisions set forth herein shall apply as if each Lender or its participants had match funded any Obligation as to which interest is accruing based on the Term SOFR Rate by acquiring Term SOFR deposits for each Interest Period in the amount of the Term SOFR Rate Loans.

2.3 Disbursement of Advance Proceeds. All Advances shall be disbursed from whichever office or other place Agent may designate from time to time and, together with any and all other Obligations of Borrowers to Agent or Lenders, shall be charged to Borrowers' Account, on Agent's books. The proceeds of each Revolving Advance or Swing Loan requested by Borrowing Agent on behalf of any Borrower or deemed to have been requested by any Borrower under Section 2.2(a), 2.4(b) or 2.13 hereof shall, (i) with respect to requested Revolving Advances, to the extent Lenders make such Revolving Advances in accordance with Section 2.2(a), 2.4(b) or 2.13 hereof, and with respect to Swing Loans made upon any request by Borrowing Agent for a Revolving Advance to the extent Swing Loan Lender makes such Swing Loan in accordance with Section 2.4(a) hereof, be made available to the applicable Borrower on the day so requested by way of credit to such Borrower's operating account at PNC in immediately available federal funds or other immediately available funds or, (ii) with respect to Revolving Advances deemed to have been requested by any Borrower or Swing Loans made upon any deemed request for a Revolving Advance by any Borrower, be disbursed to Agent to be applied to the outstanding Obligations giving rise to such deemed request. During the Term, Borrowers may use the Revolving Advances and Swing Loans by borrowing, prepaying and reborrowing, all in accordance with the terms and conditions hereof.

2.4 Swing Loans.

(a) Subject to the terms and conditions set forth in this Agreement, and in order to minimize the transfer of funds between Lenders and Agent for administrative convenience, Agent, Lenders holding Revolving Commitments and Swing Loan Lender agree that in order to facilitate the administration of this Agreement, Swing Loan Lender may, at its election and option made in its sole discretion cancelable at any time for any reason whatsoever, make swing loan advances ("Swing Loans") available to Borrowers as provided for in this Section 2.4 at any time or from time to time after the date hereof to, but not including, the expiration of the Term, in an aggregate principal amount up to but not in excess of the Maximum Swing Loan Advance Amount, provided that the outstanding aggregate principal amount of Swing Loans and the Revolving Advances at any one time outstanding shall not exceed an amount equal to the lesser of (i) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all outstanding Letters of Credit or (ii) the Formula Amount. All Swing Loans shall be Domestic Rate Loans only. Borrowers may borrow (at the option and election of Swing Loan Lender), repay and reborrow (at the option and election of Swing Loan Lender) Swing Loans and Swing Loan Lender may make Swing Loans as provided in this Section 2.4 during the period between Settlement Dates. All Swing Loans shall be evidenced by a secured promissory note (the "Swing Loan Note") substantially in the form attached hereto as Exhibit 2.4. Swing Loan Lender's agreement to make Swing Loans under this Agreement is cancelable at any time for any reason whatsoever and the making of Swing Loans by Swing Loan Lender from time to time shall not create any duty or obligation, or establish any course of conduct, pursuant to which Swing Loan Lender shall thereafter be obligated to make Swing Loans in the future.

(b) Upon either (i) any request by Borrowing Agent for a Revolving Advance made pursuant to Section 2.2(a) hereof or (ii) the occurrence of any deemed request by Borrowers for a Revolving Advance pursuant to the provisions of the last sentence of Section 2.2(a) hereof, Swing Loan Lender may elect, in its sole discretion, to have such request or deemed request treated as a request for a Swing Loan, and may advance same day funds to Borrowers as a Swing Loan; provided that notwithstanding anything to the contrary provided for herein, Swing Loan Lender may not make Swing Loans if Swing Loan Lender has been notified by Agent or by Required Lenders that one or more of the applicable conditions set forth in Section 8.2 of this Agreement have not been satisfied or the Revolving Commitments have been terminated for any reason.

(c) Upon the making of a Swing Loan (whether before or after the occurrence of a Default or an Event of Default and regardless of whether a Settlement has been requested with respect to such Swing Loan), each Lender holding a Revolving Commitment shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from Swing Loan Lender, without recourse or warranty, an undivided interest and participation in such Swing Loan in proportion to its Revolving Commitment Percentage. Swing Loan Lender or Agent may, at any time, require the Lenders holding Revolving Commitments to fund such participations by means of a Settlement as provided for in Section 2.5(d) below. From and after the date, if any, on which any Lender holding a Revolving Commitment is required to fund, and funds, its participation in any Swing Loans purchased hereunder, Agent shall promptly distribute to such Lender its Revolving Commitment Percentage of all payments of principal and interest and all proceeds of Collateral received by Agent in respect of such Swing Loan; provided that no Lender holding a Revolving Commitment shall be obligated in any event to make Revolving Advances in an amount in excess of its Revolving Commitment Amount minus its Participation Commitment (taking into account any reallocations under Section 2.21) of the Maximum Undrawn Amount of all outstanding Letters of Credit.

2.5 Making and Settlement of Advances.

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Revolving Commitment Percentages of Lenders holding the Revolving Commitments (subject to any contrary terms of Section 2.21). Each borrowing of Swing Loans shall be advanced by Swing Loan Lender alone.

(b) Promptly after receipt by Agent of a request or a deemed request for a Revolving Advance pursuant to Section 2.2(a) and, with respect to Revolving Advances, to the extent Agent elects not to provide a Swing Loan or the making of a Swing Loan would result in the aggregate amount of all outstanding Swing Loans exceeding the maximum amount permitted in Section 2.4(a), Agent shall notify Lenders holding the Revolving Commitments of its receipt of such request specifying the information provided by Borrowing Agent and the apportionment among Lenders of the requested Revolving Advance as determined by Agent in accordance with the terms hereof. Each Lender shall remit the principal amount of each Revolving Advance to Agent such that Agent is able to, and Agent shall, to the extent the applicable Lenders have made funds available to it for such purpose and subject to Section 8.2, fund such Revolving Advance to Borrowers in Dollars and immediately available funds at the Payment Office prior to the close of business, on the applicable borrowing date; provided that if any applicable Lender fails to remit such funds to Agent in a timely manner, Agent may elect in its sole discretion to fund with its own funds the Revolving Advance of such Lender on such borrowing date, and such Lender shall be subject to the repayment obligation in Section 2.5(c) hereof.

(c) Unless Agent shall have been notified by telephone, confirmed in writing, by any Lender holding a Revolving Commitment that such Lender will not make the amount which would constitute its applicable Revolving Commitment Percentage of the requested Revolving Advance available to Agent, Agent may (but shall not be obligated to) assume that such Lender has made such amount available to Agent on such date in accordance with Section 2.5(b) and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. Agent will promptly notify Borrowing Agent of its receipt of any such notice from a Lender. In such event, if a Lender has not in fact made its applicable Revolving Commitment Percentage of the requested Revolving Advance available to Agent, then the applicable Lender and Borrowers severally agree to pay to Agent on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrowers through but excluding the date of payment to Agent, at (i) in the case of a payment to be made by such Lender, the greater of (A) (x) the daily average Effective Federal Funds Rate (computed on the basis of a year of 360 days) during such period as quoted by Agent, times (y) such amount or (B) a rate determined by Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by Borrowers, the Revolving Interest Rate for Revolving Advances that are Domestic Rate Loans. If such Lender pays its share of the applicable Revolving Advance to Agent, then the amount so paid shall constitute such Lender's Revolving Advance. Any payment by Borrowers shall be without prejudice to any claim Borrowers may have against a Lender holding a Revolving Commitment that shall have failed to make such payment to Agent. A certificate of Agent submitted to any Lender or Borrowers with respect to any amounts owing under this paragraph (c) shall be conclusive, in the absence of manifest error.

(d) Agent, on behalf of Swing Loan Lender, shall demand settlement (a "Settlement") of all or any Swing Loans with Lenders holding the Revolving Commitments on at least a weekly basis, or on any more frequent date that Agent elects or that Swing Loan Lender at its option exercisable for any reason whatsoever may request, by notifying Lenders holding the Revolving Commitments of such requested Settlement by facsimile, telephonic or electronic transmission no later than 3:00 p.m. on the date of such requested Settlement (the "Settlement Date"). Subject to any contrary provisions of Section 2.21, each Lender holding a Revolving Commitment shall transfer the amount of such Lender's Revolving Commitment Percentage of the outstanding principal amount (plus interest accrued thereon to the extent requested by Agent) of the applicable Swing Loan with respect to which Settlement is requested by Agent, to such account of Agent as Agent may designate not later than 5:00 p.m. on such Settlement Date if requested by Agent by 3:00 p.m., otherwise not later than 5:00 p.m. on the next Business Day. Settlements may occur at any time notwithstanding that the conditions precedent to making Revolving Advances set forth in Section 8.2 have not been satisfied or the Revolving Commitments shall have otherwise been terminated at such time. All amounts so transferred to Agent shall be applied against the amount of outstanding Swing Loans and, when so applied shall constitute Revolving Advances of such Lenders accruing interest as Domestic Rate Loans. If any such amount is not transferred to Agent by any Lender holding a Revolving Commitment on such Settlement Date, Agent shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.5(c).

(e) If any Lender or Participant (a "Benefited Lender") shall at any time receive any payment of all or part of its Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such Benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender's Advances, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of the other Lenders; ***provided***, ***however***, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that each Lender so purchasing a portion of another Lender's Advances may exercise all rights of payment (including rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion, and the obligations owing to each such purchasing Lender in respect of such participation and such purchased portion of any other Lender's Advances shall be part of the Obligations secured by the Collateral, and the obligations owing to each such purchasing Lender in respect of such participation and such purchased portion of any other Lender's Advances shall be part of the Obligations secured by the Collateral.

2.6 Maximum Advances. The aggregate balance of Revolving Advances plus Swing Loans outstanding at any time shall not exceed the lesser of (a) the Maximum Revolving Advance Amount, less Reserves hereunder, less the aggregate Maximum Undrawn Amount of all issued and outstanding Letters of Credit or (b) the Formula Amount.

2.7 Manner and Repayment of Advances.

(a) Revolving Advances and Swing Loans shall be due and payable in full on the last day of the Term subject to earlier prepayment as herein provided. Notwithstanding the foregoing, all Advances shall be subject to earlier repayment upon (x) acceleration upon the occurrence of an Event of Default under this Agreement or (y) termination of this Agreement. Each payment (including each prepayment) by any Borrower on account of the principal of and interest on the Advances shall be applied, first to the outstanding Swing Loans and next, pro rata according to the applicable Revolving Commitment Percentages of Lenders, to the outstanding Revolving Advances (subject to any contrary provisions of Section 2.21).

(b) Each Borrower recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received by Agent. Agent shall conditionally credit Borrowers' Account for each item of payment on the next Business Day after the Business Day on which such item of payment is received by Agent (and the Business Day on which each such item of payment is so credited shall be referred to, with respect to such item, as the "Application Date"). Agent is not, however, required to credit Borrowers' Account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge Borrowers' Account for the amount of any item of payment which is returned, for any reason whatsoever, to Agent unpaid. Subject to the foregoing,

Borrowers agree that for purposes of computing the interest charges under this Agreement, each item of payment received by Agent shall be deemed applied by Agent on account of the Obligations on its respective Application Date. Borrowers further agree that there is a monthly float charge payable to Agent for Agent's sole benefit, in an amount equal to (y) the face amount of all items of payment received during the prior month (including items of payment received by Agent as a wire transfer or electronic depository check) multiplied by (z) the Revolving Interest Rate with respect to Domestic Rate Loans for one (1) Business Day. All proceeds received by Agent shall be applied to the Obligations in accordance with Section 4.8(h).

(c) All payments of principal, interest and other amounts payable hereunder, or under any of the Other Documents shall be made to Agent at the Payment Office not later than 1:00 p.m. on the due date therefor in lawful money of the United States of America in federal funds or other funds immediately available to Agent. Agent shall have the right to effectuate payment of any and all Obligations due and owing hereunder by charging Borrowers' Account or by making Advances as provided in Section 2.2 hereof.

(d) Except as expressly provided herein, all payments (including prepayments) to be made by any Borrower on account of principal, interest, fees and other amounts payable hereunder shall be made without deduction, setoff or counterclaim and shall be made to Agent on behalf of Lenders to the Payment Office, in each case on or prior to 1:00 p.m., in Dollars and in immediately available funds.

2.8 Repayment of Excess Advances. If at any time the aggregate balance of Advances outstanding at any time in excess of the maximum amount of Advances permitted hereunder shall be immediately due and payable without the necessity of any demand, at the Payment Office, whether or not a Default or Event of Default has occurred.

2.9 Statement of Account. Agent shall maintain, in accordance with its customary procedures, loan accounts (collectively, the "Borrowers' Accounts") for loans made to it, in which shall be recorded the date and amount of each Advance made by Agent and the date and amount of each payment in respect thereof; ***provided***, ***however***, the failure by Agent to record the date and amount of any Advance shall not adversely affect Agent or any Lender. Each month, Agent shall send to Borrowing Agent a statement showing the accounting for the Advances made, payments made or credited in respect thereof, and other transactions between Agent and applicable Borrowers during such month. The monthly statements shall be deemed correct and binding upon Borrowers in the absence of manifest error and shall constitute an account stated between Lenders and Borrowers unless Agent receives a written statement of Borrowing Agent's specific exceptions thereto within thirty (30) days after such statement is received by Borrowing Agent. The records of Agent with respect to the Borrower's Account shall be conclusive evidence absent manifest error of the amounts of Advances and other charges thereto and of payments applicable thereto.

2.10 Letters of Credit.

(a) Subject to the terms and conditions hereof, Issuer shall issue or cause the issuance of standby and/or trade letters of credit denominated in Dollars ("Letters of Credit") for the account of any Borrower except to the extent that the issuance thereof would then cause the sum of (i) the outstanding Revolving Advances plus (ii) the outstanding Swing Loans, plus (iii)

the Maximum Undrawn Amount of all outstanding Letters of Credit, plus (iv) the Maximum Undrawn Amount of the Letter of Credit to be issued to exceed the lesser of (x) the Maximum Revolving Advance Amount, less Reserves established hereunder or (y) the Formula Amount (calculated without giving effect to the deductions provided for in Section 2.1(a)(y)(vii)). The Maximum Undrawn Amount of all outstanding Letters of Credit shall not exceed in the aggregate at any time the Letter of Credit Sublimit. All disbursements or payments related to Letters of Credit shall be deemed to be Domestic Rate Loans consisting of Revolving Advances and shall bear interest at the Revolving Interest Rate for Domestic Rate Loans. Letters of Credit that have not been drawn upon shall not bear interest (but fees shall accrue in respect of outstanding Letters of Credit as provided in Section 3.2 hereof).

(b) Notwithstanding any provision of this Agreement, Issuer shall not be under any obligation to issue any Letter of Credit if (i) any order, judgment or decree of any Governmental Body or arbitrator shall by its terms purport to enjoin or restrain Issuer from issuing any Letter of Credit, or any Law applicable to Issuer or any request or directive (whether or not having the force of law) from any Governmental Body with jurisdiction over Issuer shall prohibit, or request that Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which Issuer is not otherwise compensated hereunder) not in effect on the date of this Agreement, or shall impose upon Issuer any unreimbursed loss, cost or expense which was not applicable on the date of this Agreement, and which Issuer in good faith deems material to it, or (ii) the issuance of the Letter of Credit would violate one or more policies of Issuer applicable to letters of credit generally.

2.11 Issuance of Letters of Credit.

(a) Borrowing Agent, on behalf of Borrowers, may request Agent to issue or cause the issuance of a Letter of Credit by delivering to Agent at the Payment Office, prior to 10:00 a.m., at least five (5) Business Days' prior to the proposed date of issuance (or such shorter period as agreed to by Agent), Agent's customary form of Letter of Credit Application (the "Letter of Credit Application") completed to the satisfaction of Agent in its Permitted Discretion; and, such other certificates, documents and other papers and information as Agent may request in its Permitted Discretion. Issuer shall not issue any requested Letter of Credit if such Issuer has received notice from Agent or any Lender that one or more of the applicable conditions set forth in Section 8.2 of this Agreement have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason. Borrowing Agent, on behalf of Borrowers, also has the right to give instructions and make agreements with respect to any application, any applicable letter of credit and security agreement, any applicable letter of credit reimbursement agreement and/or any other applicable agreement, any letter of credit and the disposition of documents and any unutilized funds, and to agree with Agent upon any amendment, extension or renewal of any Letter of Credit.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts, other written demands for payment, or acceptances of usance drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than twelve (12) months after such Letter of Credit's date of issuance (but may contain automatic renewal provisions) and in no

event later than the last day of the Term (unless otherwise agreed to by the Agent in its sole discretion). Each standby Letter of Credit shall be subject either to the Uniform Customs and Practice for Documentary Credits as most recently published by the International Chamber of Commerce at the time a Letter of Credit is issued (the "UCP") or the International Standby Practices (ISP98-International Chamber of Commerce Publication Number 590), and any subsequent revision thereof at the time a standby Letter of Credit is issued, as determined by Agent, and each trade Letter of Credit shall be subject to the UCP.

(c) Agent shall use its reasonable efforts to notify Lenders of the request by Borrowing Agent for a Letter of Credit hereunder.

2.12 Requirements For Issuance of Letters of Credit.

(a) Borrowing Agent shall authorize and direct any Issuer to name the applicable Borrower as the "Applicant" or "Account Party" of each Letter of Credit. If Agent is not the Issuer of any Letter of Credit, Borrowing Agent shall authorize and direct the Issuer to deliver to Agent all instruments, documents, and other writings and property received by the Issuer pursuant to the Letter of Credit and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit, the application therefor or any acceptance thereof.

(b) In connection with all Letters of Credit issued or caused to be issued by Agent under this Agreement, each Borrower hereby appoints Agent, or its designee, as its attorney, with full power and authority during any time that an Event of Default is continuing, (i) to sign and/or endorse such Borrower's name upon any warehouse or other receipts, letter of credit applications and acceptances, (ii) to sign such Borrower's name on bills of lading; (iii) to clear Inventory through the United States of America Customs Department or Canada Border Services Agency, as applicable, ("Customs") in the name of such Borrower or Agent or Agent's designee, and to sign and deliver to Customs officials powers of attorney in the name of such Borrower for such purpose; and (iv) to complete in such Borrower's name or Agent's, or in the name of Agent's designee, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Neither Agent nor its attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Agent's or its attorney's bad faith, gross negligence or willful misconduct. This power, being coupled with an interest, is irrevocable as long as any Letters of Credit remain outstanding.

2.13 Disbursements, Reimbursement.

(a) Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from Agent a participation in such Letter of Credit and each drawing thereunder in an amount equal to such Revolving Lender's Revolving Commitment Percentage of the Maximum Face Amount of such Letter of Credit and the amount of such drawing, respectively.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, Issuer will promptly notify Agent and Borrowing Agent. Regardless of whether Borrowing Agent shall have received such notice, Borrowers shall reimburse (such obligation to reimburse Issuer shall sometimes be referred to as a "Reimbursement Obligation") Issuer prior to 12:00 Noon, on each date that an amount is paid by Issuer under any Letter of Credit (each such date, a "Drawing Date") in an amount equal to the amount so paid by Issuer. In the event Borrowers fail to reimburse Issuer for the full amount of any drawing under any Letter of Credit by 12:00 Noon, on the Drawing Date, Issuer will promptly notify Agent and each Lender holding a Revolving Commitment thereof, and Borrowers shall be automatically deemed to have requested that a Revolving Advance maintained as a Domestic Rate Loan be made by Lenders to be disbursed on the Drawing Date under such Letter of Credit, and Lenders holding the Revolving Commitments shall be unconditionally obligated to fund such Revolving Advance (all whether or not the conditions specified in Section 8.2 are then satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason) as provided for in Section 2.13(c) immediately below. Any notice given by Issuer pursuant to this Section 2.13(b) may be oral if promptly confirmed in writing; provided that the lack of such a confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Revolving Lender shall upon any notice pursuant to Section 2.13(b) make available to Agent an amount in immediately available funds equal to its Revolving Commitment Percentage of the amount of the drawing, whereupon the participating Revolving Lenders shall (subject to Section 2.13(d)) each be deemed to have made a Revolving Advance maintained as a Domestic Rate Loan to Borrowers in that amount. If any Revolving Lender so notified fails to make available to Agent the amount of such Revolving Lender's Revolving Commitment Percentage of such amount by no later than 2:00 p.m. on the Drawing Date, then interest shall accrue on such Revolving Lender's obligation to make such payment, from the Drawing Date to the date on which such Revolving Lender makes such payment (i) at a rate per annum equal to the Effective Federal Funds Rate during the first three (3) days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Revolving Advances maintained as Domestic Rate Loans on and after the fourth (4th) day following the Drawing Date. Agent will promptly give notice of the occurrence of the Drawing Date, but failure of Agent to give any such notice on the Drawing Date or in sufficient time to enable any Revolving Lender to effect such payment on such date shall not relieve such Revolving Lender from its obligation under this Section 2.13(c), provided that such Revolving Lender shall not be obligated to pay interest as provided in Sections 2.13(c)(i) and (ii) until and commencing from the date of receipt of notice from Agent of a drawing.

(d) With respect to any unreimbursed drawing that is not converted into a Revolving Advance maintained as a Domestic Rate Loan to Borrowers in whole or in part as contemplated by Section 2.13(b), because of Borrowers' failure to satisfy the conditions set forth in Section 8.2 hereof (other than any notice requirements) or for any other reason, Borrowers shall be deemed to have incurred from Agent a borrowing (each a "Letter of Credit Borrowing") in the amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to a Revolving Advance maintained as a Domestic Rate Loan. Each Revolving Lender's payment to Agent pursuant to Section 2.13(c) shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a "Participation Advance" from such Revolving Lender in satisfaction of its Participation Commitment under this Section 2.13.

(e) Each Revolving Lender's Participation Commitment shall continue until the last to occur of any of the following events: (x) Agent ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (y) no Letter of Credit issued or created hereunder remains outstanding and uncancelled (or cash collateralized or otherwise supported by a backstop letter of credit, in a manner acceptable to Agent in its Permitted Discretion); and (z) Agent and Lenders have been fully reimbursed for all payments made under or relating to Letters of Credit.

2.14 Repayment of Participation Advances.

(a) Upon (and only upon) receipt by Agent for its account of immediately available funds from Borrowers (i) in reimbursement of any payment made by Agent under the Letter of Credit with respect to which any Revolving Lender has made a Participation Advance to Agent, or (ii) in payment of interest on such a payment made by Agent under such a Letter of Credit, Agent will pay to each Revolving Lender, in the same funds as those received by Agent, the amount of such Revolving Lender's Revolving Commitment Percentage of such funds, except Agent shall retain the amount of the Revolving Commitment Percentage of such funds of any Revolving Lender that did not make a Participation Advance in respect of such payment by Agent (and, to the extent that any of the other Lender(s) holding the Revolving Commitment have funded any portion such Defaulting Lender's Participation Advance in accordance with the provisions of Section 2.21, Agent will pay over to such Non-Defaulting Lenders a pro rata portion of the funds so withheld from such Defaulting Lender).

(b) If Agent is required at any time to return to any Borrower, or to a trustee, receiver, liquidator, monitor, custodian, or any official in any insolvency proceeding, any portion of the payments made by Borrowers to Agent pursuant to Section 2.14(a) in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Revolving Lender shall, on demand of Agent, forthwith return to Agent the amount of its Revolving Commitment Percentage of any amounts so returned by Agent plus interest at the Effective Federal Funds Rate.

2.15 Documentation. Each Borrower agrees to be bound by the terms of the Letter of Credit Application to which it is a party and by Agent's reasonable interpretations made in good faith of any Letter of Credit issued on behalf of such Borrower and by Agent's written regulations and customary practices relating to letters of credit, though Agent's interpretations may be different from such Borrower's own. In the event of a conflict between the Letter of Credit Application and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of bad faith, gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), Agent shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following the Borrowing Agent's or any Borrower's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.16 Determination to Honor Drawing Request. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, Agent shall be responsible only to determine in good faith that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit and that any other drawing condition appearing on the face of such Letter of Credit has been satisfied in the manner so set forth.

2.17 Nature of Participation and Reimbursement Obligations. Each Revolving Lender's obligation in accordance with this Agreement to make the Revolving Advances or Participation Advances as a result of a drawing under a Letter of Credit, and the obligations of Borrowers to reimburse Agent upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.17 under all circumstances, including the following circumstances:

(a) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against Agent, any Borrower or any other Person for any reason whatsoever;

(b) the failure of any Borrower or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in this Agreement for the making of a Revolving Advance, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of the Lenders to make Participation Advances under Section 2.13;

(c) any lack of validity or enforceability of any Letter of Credit;

(d) any claim of breach of warranty that might be made by any Borrower or any Lender against the beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, cross-claim, defense or other right which any Borrower or any Lender may have at any time against a beneficiary, any successor beneficiary or any transferee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), Agent or any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Borrower or any Subsidiaries of any Borrower and the beneficiary for which any Letter of Credit was procured);

(e) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provisions of services relating to a Letter of Credit, in each case even if Agent or any of Agent's Affiliates has been notified thereof;

(f) payment by Agent under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(g) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(h) any failure by Agent or any of Agent's Affiliates to issue any Letter of Credit in the form requested by Borrowing Agent, unless Agent has received written notice from Borrowing Agent of such failure within three (3) Business Days after Agent shall have furnished Borrowing Agent a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(i) any Material Adverse Effect;

(j) any breach of this Agreement or any Other Document by any party thereto;

(k) the occurrence or continuance of an Insolvency Event with respect to any Credit Party;

(l) the fact that a Default or Event of Default shall have occurred and be continuing;

(m) the fact that the Term shall have expired or this Agreement or the Obligations hereunder shall have been terminated; and

(n) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

2.18 Liability for Acts and Omissions. As between Borrowers and Agent and Lenders, each Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit, other than in the case of bad faith, gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment). In furtherance and not in limitation of the respective foregoing, Agent shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if Agent shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Borrower against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Borrower and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, facsimile, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of Agent, including any governmental acts, and none of the above shall affect or impair, or prevent the vesting of, any of Agent's rights or powers hereunder. Nothing in the preceding sentence shall relieve Agent from liability for Agent's bad faith, gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment) in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall Agent or Agent's Affiliates be liable to any Borrower for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, Agent and each of its Affiliates: (i) may rely on any oral or other communication believed in good faith by Agent or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit; (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by Agent or its Affiliates; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on Agent or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "Order") and honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by Agent under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith and without gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), shall not put Agent under any resulting liability to any Borrower or any Lender.

2.19 Mandatory Prepayments.

(a) Subject to Section 7.1 hereof, when any Borrower sells or otherwise disposes of any Collateral (other than (x) Inventory in the Ordinary Course of Business or (y) pursuant to a Permitted Factoring Agreement, the proceeds of which shall be remitted in accordance with Section 4.8(h)), Borrowers shall repay the Advances in an amount equal to the Net Cash Proceeds of such sale in excess of $500,000, such repayments to be made promptly but in no event more than one (1) Business Day following receipt of such net proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. The foregoing shall not be deemed to be implied consent to any such sale otherwise prohibited by the terms and conditions hereof. Such repayments shall be applied to the Advances until the Advances equal $0 (including cash collateralization of all Obligations relating to any outstanding Letters of Credit in accordance with the provisions of Section 3.2(b)) in such order as Agent may determine, subject to Borrowers' ability to reborrow Revolving Advances in accordance with the terms hereof. Notwithstanding the forgoing, Borrowers shall have the right to reinvest Net Cash Proceeds of such sale within 120 days of receipt thereof so long as no Event of Default is continuing and upon receipt of such Net Cash Proceeds until such reinvestment, such Net Cash Proceeds are deposited in a Depository Account maintained at Agent over which Agent has control (as defined in the Uniform Commercial Code or the PPSA, as applicable).

(b) In the event of any issuance or other incurrence of Indebtedness (other than Permitted Indebtedness) by any Credit Party or the issuance of any Equity Interests by any Credit Party (other than issuances of Equity Interests of Parent that do not constitute Disqualified Equity Interests so long as no Cash Dominion Period is then in existence), Borrowers shall, no later than one (1) Business Day after the receipt by the Credit Parties of (i) the net cash proceeds from any such issuance or incurrence of Indebtedness or (ii) the net cash proceeds of any issuance of Equity Interests, as applicable, repay the Advances in an amount equal to (x) one hundred percent (100%) of such net cash proceeds in the case of such incurrence or issuance of Indebtedness and (y) one hundred percent (100%) of such net cash proceeds in the case of an issuance of Equity Interests. Such repayments will be applied in the same manner as set forth in Section 2.19(a) hereof.

(c) All proceeds received by the Credit Parties or Agent (i) under any insurance policy on account of damage or destruction of any assets or property of any Credit Parties, or (ii) as a result of any taking or condemnation of any assets or property, in each case, shall be applied in accordance with Section 6.6 hereof.

2.20 Use of Proceeds.

(a) Borrowers shall apply the proceeds of Advances to (i) pay fees and expenses relating to the Transactions, this Agreement and the Other Documents, Permitted Acquisitions, and other Investments, and (ii) provide for their general corporate purposes, including working capital requirements and capital expenditures.

(b) Without limiting the generality of Section 2.20(a) above, neither a Credit Party nor any other Person which may in the future become party to this Agreement or the Other Documents as a Credit Party, intends to use nor shall they use any portion of the proceeds of the Advances, directly or indirectly, for any purpose in violation of Applicable Law.

2.21 Defaulting Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender is a Defaulting Lender, all rights and obligations hereunder of such Defaulting Lender and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.20 so long as such Lender is a Defaulting Lender.

(b) (i) except as otherwise expressly provided for in this Section 2.21, Revolving Advances shall be made pro rata from Lenders holding Revolving Commitments which are not Defaulting Lenders based on their respective Revolving Commitment Percentages, and no Revolving Commitment Percentage of any Lender or any pro rata share of any Revolving Advances required to be advanced by any Lender shall be increased as a result of any Lender being a Defaulting Lender. Amounts received in respect of principal of any type of Revolving Advances shall be applied to reduce such type of Revolving Advances of each Lender (other than any Defaulting Lender) holding a Revolving Commitment in accordance with their Revolving

Commitment Percentages; provided, that, Agent shall not be obligated to transfer to a Defaulting Lender any payments received by Agent for Defaulting Lender's benefit, nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder (including any principal, interest or fees). Amounts payable to a Defaulting Lender shall instead be paid to or retained by Agent. Agent may hold and, in its discretion, re-lend to a Borrower the amount of such payments received or retained by it for the account of such Defaulting Lender.

(ii) Unused Line Fees shall cease to accrue in favor of such Defaulting Lender.

(iii) if any Swing Loans are outstanding or any Letters of Credit (or drawings under any Letter of Credit for which Issuer has not been reimbursed) are outstanding or exist at the time any such Lender holding a Revolving Commitment becomes a Defaulting Lender, then:

(A) Defaulting Lender's Participation Commitment in the outstanding Swing Loans and of the Maximum Undrawn Amount of all outstanding Letters of Credit shall be reallocated among Non-Defaulting Lenders holding Revolving Commitments in proportion to the respective Revolving Commitment Percentages of such Non-Defaulting Lenders to the extent (but only to the extent) that (x) such reallocation does not cause the aggregate sum of outstanding Revolving Advances made by any such Non-Defaulting Lender holding a Revolving Commitment plus such Lender's reallocated Participation Commitment in the outstanding Swing Loans plus such Lender's reallocated Participation Commitment in the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit to exceed the Revolving Commitment Amount of any such Non-Defaulting Lender, and (y) no Default or Event of Default has occurred and is continuing at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, Borrowers shall within one Business Day following notice by Agent (x) first, prepay any outstanding Swing Loans that cannot be reallocated, and (y) second, cash collateralize for the benefit of Issuer, Borrowers' obligations corresponding to such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with Section 3.2(b) for so long as such Obligations are outstanding;

(C) if Borrowers cash collateralize any portion of such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit pursuant to clause (B) above, Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.2(a) with respect to such Defaulting Lender's Revolving Commitment Percentage of Maximum Undrawn Amount of all Letters of Credit during the period such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit are cash collateralized;

(D) if Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is reallocated pursuant to clause (A) above, then the fees payable to Lenders holding Revolving Commitments pursuant to Section 3.2(a) shall be adjusted and reallocated to Non-Defaulting Lenders holding Revolving Commitments in accordance with such reallocation; and

(E) if all or any portion of such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is neither reallocated nor cash collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of Issuer or any other Lender hereunder, all Letter of Credit Fees payable under Section 3.2(a) with respect to such Defaulting Lender's Revolving Commitment Percentage of the Maximum Undrawn Amount of all Letters of Credit shall be payable to the Issuer (and not to such Defaulting Lender) until (and then only to the extent that) such Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is reallocated and/or cash collateralized; and

(iv) so long as any Lender holding a Revolving Commitment is a Defaulting Lender, Swing Loan Lender shall not be required to fund any Swing Loans and Issuer shall not be required to issue, amend or increase any Letter of Credit, unless such Issuer is satisfied that the related exposure and Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit and all Swing Loans (after giving effect to any such issuance, amendment, increase or funding) will be fully allocated to Non-Defaulting Lenders holding Revolving Commitments and/or cash collateral for such Letters of Credit will be provided by Borrowers in accordance with clause (A) and (B) above, and participating interests in any newly made Swing Loan or any newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.21(b)(iii)(A) above (and such Defaulting Lender shall not participate therein).

(c) A Defaulting Lender shall not be entitled to give instructions to Agent or to approve, disapprove, consent to or vote on any matters relating to this Agreement and the Other Documents, and all amendments, waivers and other modifications of this Agreement and the Other Documents may be made without regard to a Defaulting Lender and, for purposes of the definition of "Required Lenders", a Defaulting Lender shall not be deemed to be a Lender, to have any outstanding Advances or a Revolving Commitment Percentage; provided, that this clause (c) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification described in clause (i) or (ii) of Section 17.2(b).

(d) Other than as expressly set forth in this Section 2.21, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent) and the other parties hereto shall remain unchanged. Nothing in this Section 2.21 shall be deemed to release any Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which any Borrower, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder.

(e) In the event that Agent, Borrowers, Swing Loan Lender and Issuer agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then Agent will so notify the parties hereto, and, if such cured Defaulting Lender is a Lender holding a Revolving Commitment, then Participation Commitments of Lenders holding Revolving Commitments (including such cured Defaulting Lender) of the Swing Loans

and Maximum Undrawn Amount of all outstanding Letters of Credit shall be reallocated to reflect the inclusion of such Lender's Revolving Commitment, and on such date such Lender shall purchase at par such of the Revolving Advances of the other Lenders as Agent shall determine may be necessary in order for such Lender to hold such Revolving Advances in accordance with its Revolving Commitment Percentage.

(f) If Swing Loan Lender or Issuer has a good faith belief that any Lender holding a Revolving Commitment has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, Swing Loan Lender shall not be required to fund any Swing Loans and Issuer shall not be required to issue, amend or increase any Letter of Credit, unless Swing Loan Lender or Issuer, as the case may be, shall have entered into arrangements with Borrowers or such Lender, satisfactory to Swing Loan Lender or Issuer, as the case may be, to defease any risk to it in respect of such Lender hereunder.

2.22 Payment of Obligations. Agent may charge to Borrowers' Account, a Revolving Advance or, at the discretion of Swing Loan Lender, as a Swing Loan (i) all payments with respect to any of the Obligations required hereunder (including without limitation principal payments, payments of interest, payments of Letter of Credit Fees and all other fees provided for hereunder and payments under Sections 17.5 and 17.9) as and when each such payment shall become due and payable (whether as regularly scheduled, upon or after acceleration, upon maturity or otherwise), (ii) without limiting the generality of the foregoing clause (i), (a) all amounts expended by Agent or any Lender pursuant to Section 4.2 or 4.3 hereof and (b) all expenses which Agent incurs in connection with the forwarding of Advance proceeds and the establishment and maintenance of any Blocked Accounts or Depository Accounts as provided for in Section 4.8(h), and (iii) any sums expended by Agent or any Lender due to any Borrower's failure to perform or comply with its obligations under this Agreement or any Other Document including any Borrower's obligations under Sections 3.4, 4.4, 4.7, 6.4, 6.6, 6.7 and 6.8 hereof, and all amounts so charged shall be added to the Obligations and shall be secured by the Collateral securing the applicable Obligations. To the extent Revolving Advances are not actually funded by the other Lenders in respect of any such amounts so charged, all such amounts so charged shall be deemed to be Revolving Advances / Swing Loans made by and owing to Agent and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender under this Agreement and the Other Documents with respect to such Revolving Advances.

III. INTEREST AND FEES.

3.1 Interest. Interest on Advances shall be payable monthly in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to Term SOFR Rate Loans, at (a) the end of each Interest Period for Term SOFR Rate Loans with an Interest Period of one (1) or three (3) months, and (b) for Term SOFR Rate Loans with an Interest Period in excess of three (3) months, at the end of each three (3) month period during such Interest Period, provided further, that all accrued and unpaid interest shall be due and payable at the end of the Term. Interest charges shall be computed on the actual principal amount of Advances outstanding during the month at a rate per annum equal to, with respect to Revolving Advances, the applicable Revolving Interest Rate plus, solely with respect to Term SOFR Rate Loans, the SOFR Adjustment for the applicable Interest Period. Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Revolving Interest Rate for Domestic Rate

Loans shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. The Term SOFR Rate shall be adjusted with respect to Term SOFR Rate Loans without notice or demand of any kind on the effective date of any change in the SOFR Reserve Percentage as of such effective date. Upon and after the occurrence and during the continuation of an Event of Default, at the written direction of Required Lenders, (i) Term SOFR Rate Loans shall bear interest at the Revolving Interest Rate for Term SOFR Rate Loans plus two percent (2%) per annum and (ii) the other Obligations shall bear interest at the Revolving Interest Rate for Domestic Rate Loans plus two percent (2%) per annum (as applicable, the "Default Rate"); *provided*, that, for the avoidance of doubt, with respect to Letters of Credit in the foregoing case of an occurrence and continuance of the Event of Default, no more than two percent (2.0%) shall be added to Letter of Credit Fees under this section and Section 3.2.

3.2 Letter of Credit Fees.

(a) Borrowers shall pay (x) to Agent, for the ratable benefit of Lenders holding Revolving Commitments, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by the then-applicable Applicable Margin plus the SOFR Adjustment for Revolving Advances consisting of Term SOFR Rate Loans, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable quarterly in arrears on the first day of each quarter and on the last day of the Term, and (y) to the Issuer, a fronting fee of one quarter of one percent (0.25%) per annum times the average daily face amount of each outstanding Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, to be payable quarterly in arrears on the first day of each calendar quarter and on the last day of the Term, together with any and all administrative, issuance, amendment, payment and negotiation charges with respect to Letters of Credit and all fees and expenses as agreed upon by the Issuer and the Borrowing Agent in connection with any Letter of Credit, including in connection with the opening, amendment or renewal of any such Letter of Credit and any acceptances created thereunder and shall reimburse Agent for any and all fees and expenses, if any, paid by Agent to the Issuer (all of the foregoing fees, the "Letter of Credit Fees"). All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in the Issuer's prevailing charges for that type of transaction. All Letter of Credit Fees payable hereunder shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Upon and after the occurrence and during the continuation of an Event of Default, at the option of Agent or at the direction of Required Lenders, the Letter of Credit Fees described in clause (x) of this Section 3.2(a) shall be increased by an additional two percent (2.0%) per annum.

(b) On demand during the continuance of an Event of Default or the expiration of the Term, Borrowers will cause cash to be deposited and maintained in an account with Agent, as cash collateral, in an amount equal to one hundred and five percent (105%) of the Maximum Undrawn Amount of all outstanding Letters of Credit, and each Borrower hereby irrevocably

authorizes Agent, in its Permitted Discretion, on such Borrower's behalf and in such Borrower's name, to open, with notice to such Borrower, such an account and to make and maintain deposits therein, or in an account opened by such Borrower, in the amounts required to be made by such Borrower, out of the proceeds of Receivables or other Collateral or out of any other funds of such Borrower coming into any Lender's possession at any time. Agent will invest such cash collateral (less applicable reserves) in such short-term money-market items as to which Agent and such Borrower mutually agree and the net return on such investments shall be credited to such account and constitute additional cash collateral. No Borrower may withdraw amounts credited to any such account except upon the earliest of all of the following: (w) the waiver of existing Events of Default in accordance with the terms of this Agreement; (x) payment and performance in full of all Obligations; (y) expiration of all Letters of Credit; and (z) termination of this Agreement. Borrowers hereby assign, pledge and grant to Agent, for its benefit and the ratable benefit of Issuer, Lenders and each other Secured Party, a continuing security interest in and to and Lien on any such cash collateral and any right, title and interest of Borrowers in any deposit account, securities account or investment account into which such cash collateral may be deposited from time to time to secure the Obligations, specifically including all Obligations with respect to any Letters of Credit. Borrowers agree that upon the coming due of any Reimbursement Obligations (or any other Obligations, including Obligations for Letter of Credit Fees) with respect to the Letters of Credit, Agent may use such cash collateral to pay and satisfy such Obligations.

3.3 Reserved.

3.4 Fee Letter. Borrowers shall pay the amounts required to be paid in the Fee Letter in the manner and at the times required by the Fee Letter.

3.5 Computation of Interest and Fees. Interest and fees hereunder shall be computed on the basis of a year of 360 days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Revolving Interest Rate during such extension. For purposes of the Interest Act (Canada): (i) whenever any interest or fee under this Agreement is calculated on the basis of a period of time other than a calendar year, such rate used in such calculation, when expressed as an annual rate, is equivalent to (x) such rate, multiplied by (y) the actual number of days in the calendar year in which the period for which such interest or fee is calculated ends, and divided by (z) the number of days in such period of time; (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

3.6 Maximum Charges. In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under law, such excess amount shall be first applied to any unpaid principal balance owed by Borrowers, and if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Borrowers and the provisions hereof shall be deemed amended to provide for such permissible rate. Notwithstanding anything to the contrary contained in this Agreement or in any Other Document, all agreements which either now are or which shall become agreements among Credit Parties, Agent and Lenders are hereby limited so that in no

contingency or event whatsoever shall the total liability for payments in the nature of interest, additional interest and other charges exceed the applicable limits imposed by any applicable usury laws. If any payments in the nature of interest, additional interest and other charges made under this Agreement or any Other Document are held to be in excess of the limits imposed by any applicable usury laws, it is agreed that any such amount held to be in excess shall be considered payment of principal hereunder, and the indebtedness evidenced hereby shall be reduced by such amount so that the total liability for payments in the nature of interest, additional interest and other charges shall not exceed the applicable limits imposed by any applicable usury laws, in compliance with the desires of Credit Parties and Agent. The foregoing provisions shall never be superseded or waived and shall control every other provision of this Agreement or any Other Document and all agreements among Borrowers and Agent and Lenders, or their respective successors and assigns. If the applicable state or federal law is amended in the future to allow a greater rate of interest to be charged under this Agreement than is presently allowed by applicable state or federal law, then the limitation of interest hereunder shall be increased to the maximum rate of interest allowed by applicable state or federal law as amended, which increase shall be effective hereunder on the effective date of such amendment, and all interest charges owing to Lender by reason thereof shall be payable in accordance with Section 3.1 of this Agreement. If by operation of this provision, Borrowers would be entitled to a refund of interest paid pursuant to this Agreement, each Lender agrees that it shall pay to Borrowers upon Agent's request such Lender's Revolving Commitment Percentage of such interest to be refunded, as determined by Agent. If any provision of this Agreement or Other Documents would oblige any Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law or so result in a receipt by that Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the affected Lender which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

3.7 Increased Costs. In the event that any Applicable Law or any Change in Law or compliance by any Lender (for purposes of this Section 3.7, the term "Lender" shall include Agent, Swing Loan Lender, any Issuer or Lender and any corporation or bank controlling Agent, Swing Loan Lender, any Lender or Issuer and the office or branch where Agent, Swing Loan Lender, any Lender or Issuer (as so defined) makes or maintains any Term SOFR Rate Loans) with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, shall:

(a) subject Agent, Swing Loan Lender, any Lender or Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Term SOFR Rate Loan, or change the basis of taxation of payments to Agent, Swing Loan Lender, such Lender or Issuer in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 3.10 and the imposition of, or any change in the rate of, any Excluded Tax);

(b) impose, modify or deem applicable any reserve, special deposit, assessment, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of Agent, Swing Loan Lender, Issuer or any Lender, including pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on Agent, Swing Loan Lender, any Lender or Issuer any other condition, loss or expense (other than Taxes) affecting this Agreement or any Other Document or any Advance made by any Lender, or any Letter of Credit or participation therein;

and the result of any of the foregoing is to increase the cost to Agent, Swing Loan Lender, any Lender or Issuer of making, converting to, continuing, renewing or maintaining its Advances hereunder by an amount that Agent, Swing Loan Lender, such Lender or Issuer deems to be material or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Advances by an amount that Agent, Swing Loan Lender or such Lender or Issuer deems to be material, then, in any case Borrowers shall promptly pay Agent, Swing Loan Lender, such Lender or Issuer, upon its demand, such additional amount as will compensate Agent, Swing Loan Lender or such Lender or Issuer for such additional cost or such reduction, as the case may be, provided that the foregoing shall not apply to increased costs which are reflected in the Term SOFR Rate, as the case may be. Agent, Swing Loan Lender, such Lender or Issuer shall certify the amount of such additional cost or reduced amount to Borrowing Agent, and such certification shall be conclusive absent manifest error.

3.8 Alternate Rate of Interest.

3.8.1 Interest Rate Inadequate or Unfair. In the event that Agent or any Lender shall have determined that:

(a) reasonable means do not exist for ascertaining the Term SOFR Rate applicable pursuant to Section 2.2 hereof for any Interest Period; or

(b) Dollar deposits in the relevant amount and for the relevant maturity are not available, with respect to an outstanding Term SOFR Rate Loan, a proposed Term SOFR Rate Loan, or a proposed conversion of a Domestic Rate Loan into a Term SOFR Rate Loan; or

(c) the making, maintenance or funding of any Term SOFR Rate Loan has been made impracticable or unlawful by compliance by Agent or such Lender in good faith with any Applicable Law or any interpretation or application thereof by any Governmental Body or with any request or directive of any such Governmental Body (whether or not having the force of law); or

(d) the Term SOFR Rate will not adequately and fairly reflect the cost to such Lender of the establishment or maintenance of any Term SOFR Rate Loan, and Lenders have provided notice of such determination to Agent,

then Agent shall give Borrowing Agent prompt written or telephonic notice of such determination. If such notice is given prior to a Benchmark Replacement Date (as defined below), then (x) any such requested Term SOFR Rate Loan shall be made as a Domestic Rate Loan, unless

Borrowing Agent shall notify Agent no later than 1:00 p.m. Eastern Standard Time two (2) Business Days prior to the date of such proposed borrowing, that its request for such borrowing shall be cancelled or made as an unaffected type of Term SOFR Rate Loan, (y) any Domestic Rate Loan or Term SOFR Rate Loan which was to have been converted to an affected type of Term SOFR Rate Loan shall be continued as or converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 1:00 p.m. Eastern Standard Time two (2) Business Days prior to the proposed conversion, shall be maintained as an unaffected type of Term SOFR Rate Loan, and (z) any outstanding affected Term SOFR Rate Loans shall be converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 1:00 p.m. Eastern Standard Time two (2) Business Days prior to the last Business Day of the then current Interest Period applicable to such affected Term SOFR Rate Loan, shall be converted into an unaffected type of Term SOFR Rate Loan, on the last Business Day of the then current Interest Period for such affected Term SOFR Rate Loans (or sooner, if any Lender cannot continue to lawfully maintain such affected Term SOFR Rate Loan). Until such notice has been withdrawn, Lenders shall have no obligation to make an affected type of Term SOFR Rate Loan or maintain outstanding affected Term SOFR Rate Loans and no Borrower shall have the right to convert a Domestic Rate Loan or an unaffected type of Term SOFR Rate Loan into an affected type of Term SOFR Rate Loan.

3.8.2 Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any Other Document (and any agreement executed in connection with an Interest Rate Hedge shall be deemed not to be an "Other Document" for purposes of this Section 3.8.2), if a Benchmark Transition Event and related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Other Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any Other Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Other Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any Other Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

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

(c) Notices; Standards for Decisions and Determinations. The Agent will promptly notify the Borrowing Agent and the Lenders of (i) the implementation of any Benchmark Replacement, and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will notify the Borrowing Agent of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any Other Document, except, in each case, as expressly required pursuant to this Section 3.8.2.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any of the Other Documents, 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 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 of such Benchmark is not or will not be representative, then the 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 not or will not be representative for a Benchmark (including a Benchmark Replacement), then the 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 Borrowing Agent's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrowing Agent may revoke any pending request for an Advance bearing interest based on the Term SOFR Rate, conversion to or continuation of Advances bearing interest based on the Term SOFR Rate to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowing Agent will be deemed to have converted any such request into a request for a Domestic Rate Loan. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate.

(f) Certain Defined Terms. As used in this Section 3.8.2:

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable (x) if such Benchmark is a term rate or is based on 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 (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or a component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor of such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (d) of this Section 3.8.2.

"Benchmark" means, initially, the Term SOFR Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to this Section 3.8.2.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Replacement Date:

(1) the sum of (A) Daily Simple SOFR and (B) the SOFR Adjustment for a one (1) month Interest Period; or

(2) the sum of: (A) the alternate benchmark rate that has been selected by the Agent and the Borrowing Agent, giving due consideration to (x) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention, for determining a benchmark rate as a replacement to the then-current benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment;

provided that, if the Benchmark Replacement as determined pursuant to clause (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the Other Documents; provided further that any Benchmark Replacement shall be administratively feasible as determined by the Agent in its sole discretion.

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

"Benchmark Replacement Date" means a date and time determined by the Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

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

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date determined by Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

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

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

(2) a public statement or publication of information by a Governmental Body having jurisdiction over Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, 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

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or a Governmental Body having jurisdiction over Agent announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

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

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Other Document in accordance with this Section 3.8.2 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Other Document in accordance with this Section 3.8.2.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Term SOFR Rate or, if no floor is specified, zero.

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

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

3.9 Capital Adequacy.

(a) In the event that Agent, Swing Loan Lender or any Lender shall have determined that any Applicable Law or guideline regarding capital adequacy, or any Change in Law or any change in the interpretation or administration thereof by any Governmental Body, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent, Swing Loan Lender, Issuer or any Lender (for purposes of this Section 3.9(a), the term "Lender" shall include Agent, Swing Loan Lender, Issuer or any Lender and any corporation or bank controlling Agent, Swing Loan Lender or any Lender and the office or branch where Agent, Swing Loan Lender or any Lender (as so defined) makes or maintains any Term SOFR Rate Loans) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on Agent, Swing Loan Lender or any Lender's capital as a consequence of its obligations hereunder (including the making of any Swing Loans) to a level

below that which Agent, Swing Loan Lender or such Lender could have achieved but for such adoption, change or compliance (taking into consideration Agent's, Swing Loan Lender's and each Lender's policies with respect to capital adequacy) by an amount deemed by Agent, Swing Loan Lender or any Lender to be material, then, from time to time, Borrowers shall pay upon demand to Agent, Swing Loan Lender or such Lender such additional amount or amounts as will compensate Agent, Swing Loan Lender or such Lender for such reduction. In determining such amount or amounts, Agent, Swing Loan Lender or such Lender may use any reasonable averaging or attribution methods. The protection of this Section 3.9(a) shall be available to Agent, Swing Loan Lender and each Lender regardless of any possible contention of invalidity or inapplicability with respect to the Applicable Law, rule, regulation, guideline or condition.

(b) A certificate of Agent, Swing Loan Lender or such Lender setting forth such amount or amounts as shall be necessary to compensate Agent, Swing Loan Lender or such Lender with respect to Section 3.9(a) hereof when delivered to Borrowing Agent shall be conclusive absent manifest error.

3.10 Taxes.

(a) Any and all payments by or on account of any Obligations hereunder or under any Other Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if any Borrower shall be required by Applicable Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) such Borrower shall make all required deductions (including deductions applicable to additional sums payable under this section), (ii) such Borrower shall timely pay the full amount deducted to the relevant Governmental Body in accordance with Applicable Law and (iii) the sum payable by such Borrower shall be increased as necessary so that after making such deductions the applicable Recipient receives an amount equal to the sum it would have received had no such deductions been made.

(b) Without limiting the provisions of Section 3.10(a) above, and without duplication, each Borrower shall timely pay to the relevant Governmental Body in accordance with Applicable Law, or at the option of Agent timely reimburse it for the payment of, the amount of any Other Taxes.

(c) Each Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by an applicable Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Body. A certificate as to the amount of such payment or liability delivered to the applicable Borrower by one of its Recipients (with a copy to Agent), or by Agent on its own behalf or on behalf of an applicable Recipient shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Body, such Borrower shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment satisfactory to Agent in its Permitted Discretion.

(e) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments hereunder or under any Other Document shall deliver to the applicable Borrower (with a copy to Agent), at the time or times prescribed by Applicable Law or reasonably requested by Borrowers or Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. Notwithstanding the submission of such documentation claiming a reduced rate of or exemption from U.S. withholding tax, Agent shall be entitled to withhold United States federal income taxes at the full thirty percent (30%) withholding rate if in its Permitted Discretion it is required to do so under the due diligence requirements imposed upon a withholding agent under § 1.1441-7(b) of the United States Income Tax Regulations or other Applicable Law. Further, Agent is indemnified under § 1.1461-1(e) of the United States Income Tax Regulations against any claims and demands of any Lender, Issuer or assignee or participant of a Lender or Issuer for the amount of any tax it deducts and withholds in accordance with regulations under § 1441 of the Code. In addition, any Lender, if requested by Borrowers or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrowers or Agent as will enable Borrowers or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, in the case of each U.S. Borrower (and any other Borrower that is resident for U.S. federal income tax purposes in the United States of America), any Lender and the Agent shall deliver to Borrowers and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender (or other Lender) becomes a Lender under this Agreement (and from time to time thereafter upon the request of Borrowers or Agent, but only if such Foreign Lender (or other Lender) is legally entitled to do so), whichever of the following is applicable:

(i) two (2) duly completed valid originals of IRS Form W-8BEN-E or IRS W-8BEN (as applicable) claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) two (2) duly completed valid originals of IRS Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of any of the Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) two duly completed valid originals of IRS Form W-8BEN-E or IRS W-8BEN (as applicable). Except to the extent provided in Section 17.3, to the extent a Foreign Lender is not the beneficial owner of the Obligations, such certificate and applicable IRS Forms shall be delivered on behalf of the applicable beneficial owners,

(iv) any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrowers to determine the withholding or deduction required to be made, or

(v) any Lender that is a U.S. Person and Agent shall submit to Agent (and to the applicable Borrower, in the case of Agent) two (2) originals of an IRS Form W-9 or any other form prescribed by Applicable Law certifying that such Lender (or Agent) is a U.S. Person that is exempt from United States federal backup withholding tax.

(f) If a payment made to a Lender, Swing Loan Lender, Participant, Issuer, or Agent under this Agreement or any Other Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Person fails 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 Person shall deliver to Agent and applicable Borrower at the time or times prescribed by law and at such time or times reasonably requested by the applicable Borrower or Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or Agent as may be necessary for the Borrower and Agent to comply with their obligations under FATCA and to determine that such Person has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

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

(h) If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund or credit of any Taxes as to which it has been indemnified by a Borrower or with respect to which a Borrower has paid additional amounts pursuant to this Section, it shall pay to such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section with respect to the Taxes giving rise to such refund); net of all out-of-pocket expenses (including Taxes) of such Recipient, and without interest (other than any interest paid by the relevant Governmental Body with respect to such refund), provided that the respective Borrower, upon the request of such Recipient agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Body) to such Recipient in the event Recipient is required to repay such refund to such Governmental Body. Notwithstanding anything to the contrary in this paragraph (h), in no event will any Recipient be required to pay any amount to a Borrower pursuant to this paragraph (h) the payment of which would place such 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 Section 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 Borrowers or any other Person.

3.11 Replacement of Lenders. If any Lender (an "Affected Lender") (a) makes demand upon Borrowers for (or if Borrowers are otherwise required to pay) amounts pursuant to Section 3.7, 3.9(a) or 3.10 hereof, (b) is unable to make or maintain Term SOFR Rate Loans as a result of a condition described in Section 2.2(h) hereof, (c) is a Defaulting Lender, or (d) denies any consent requested by the Agent pursuant to Section 17.2(b) hereof, Borrowers may, within ninety (90) days of receipt of such demand, notice (or the occurrence of such other event causing Borrowers to be required to pay such compensation or causing Section 2.2(h) hereof to be applicable), or such Lender becoming a Defaulting Lender or denial of a request by Agent pursuant to Section 17.2(b) hereof, as the case may be, by notice in writing to the Agent and such Affected Lender (i) request the Affected Lender to cooperate with Borrowers in obtaining a replacement Lender satisfactory to Agent and Borrowers (the "Replacement Lender"); (ii) request the non-Affected Lenders to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage as provided herein, but none of such Lenders shall be under any obligation to do so; or (iii) propose a Replacement Lender subject to approval by Agent in its good faith business judgment. If any satisfactory Replacement Lender shall be obtained, and/or if any one or more of the non-Affected Lenders shall agree to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage, then such Affected Lender shall assign, in accordance with Section 17.3 hereof, all of its Advances and its Revolving Commitment Percentage and other rights and obligations under this Agreement and the Other Documents to such Replacement Lender or non-Affected Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, *plus* all other Obligations then due and payable to the Affected Lender.

IV. COLLATERAL: GENERAL TERMS

4.1 Security Interest in the Collateral. To secure the prompt payment and performance to Agent, Issuer and each Lender (and each other holder of any Obligations) of the Obligations, each Credit Party hereby assigns, pledges and grants to Agent for its benefit and for the ratable benefit of each Lender, Issuer and each other Secured Party, a continuing security interest in and to and Lien on all of its Collateral, whether now owned or existing or hereafter acquired or arising and wheresoever located. Each Credit Party shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent's security interest. Each Credit Party shall provide Agent with written notice of all commercial tort claims promptly upon the occurrence of any events giving rise to any such claim(s) (regardless of whether legal proceedings have yet been commenced), such notice to contain a brief description of the claim(s), the events out of which such claim(s) arose and the parties against which such claims may be asserted and, if applicable in any case where legal proceedings regarding such claim(s) have been commenced, the case title together with the applicable court and docket number. Upon delivery of each such notice, such Credit Party shall be deemed to thereby grant to Agent a security interest and lien in and to such commercial tort claims described therein and all proceeds thereof. Each Credit Party shall provide Agent with written notice promptly upon becoming the beneficiary under any letter of credit or otherwise obtaining any right, title or interest in any letter of credit rights, and at Agent's request shall take such actions as Agent may request in its Permitted Discretion for the perfection of Agent's security interest therein. Notwithstanding the foregoing or any other provision herein or in any Other Document, absent an Event of Default that is continuing, no Credit Party or Subsidiary of any Credit Party shall be required to take any actions with respect to the creation or perfection of Liens on any Collateral of such Person under the laws of any jurisdiction other than the United

States of America (other than the filing of PPSA financing statements with respect to any Canadian Borrower and control agreements with respect to the deposit accounts of any Canadian Borrower as may be required pursuant to Section 4.8(h)(ii)); provided that, (x) at the request of the Agent in its Permitted Discretion, any Contributing Foreign Subsidiary shall be required to create and perfect Liens on the Collateral in favor of Agent under the laws of the jurisdiction of formation of such Contributing Foreign Subsidiary, and (y) unless otherwise consented to by Agent, if the aggregate amount of Collateral of Contributing Foreign Subsidiaries excluded from Lien creation and perfection requirements by virtue of this sentence, together with the assets of any Immaterial Foreign Subsidiaries (such amount, the "Excluded Collateral Amount"), exceeds the Excluded Foreign Asset Threshold, then the Credit Parties shall have ninety (90) days (or such longer period as the Agent may agree to in its Permitted Discretion) to create and perfect Liens on Collateral under the laws of the jurisdiction of formation of any Contributing Foreign Subsidiaries and Immaterial Foreign Subsidiaries, as applicable, so that after giving effect thereto the Excluded Collateral Amount does not exceed the Excluded Foreign Asset Threshold (such Collateral necessary to cause the Excluded Collateral Amount not to exceed the Excluded Foreign Asset Threshold to be selected by Agent in its Permitted Discretion).

4.2 Perfection of Security Interest. Each Credit Party shall take all action that may be necessary or desirable, or that Agent may request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's security interest in and Lien on the Collateral or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to, (i) promptly discharging all Liens other than Permitted Encumbrances, (ii) using commercially reasonable efforts to obtain Lien Waiver Agreements in respect of any Collateral constituting Eligible Inventory (unless otherwise permitted by the definition of "Eligible Inventory"), (iii) delivering to Agent, endorsed or accompanied by such instruments of assignment as Agent may specify, and stamping or marking, in such manner as Agent may specify, any and all (x) instruments and documents evidencing or forming a part of the Collateral, in each case, in excess of $250,000 individually or in the aggregate and (y) chattel paper, (iv) using commercially reasonable efforts to enter into warehousing, lockbox and other custodial arrangements satisfactory to Agent, and (v) executing and delivering financing statements, control agreements, instruments of pledge, mortgages, notices and assignments, in each case in form and substance satisfactory to Agent, relating to the creation, validity, perfection, maintenance or continuation of Agent's security interest and Lien under the Uniform Commercial Code, PPSA or other Applicable Law, but specifically excluding any required perfection steps with respect to any Collateral subject to a certificate of title statute prior to Agent's request during the existence of an Event of Default. By its signature hereto, each Credit Party hereby authorizes Agent to file against such Credit Party, one or more financing, continuation or amendment statements pursuant to the Uniform Commercial Code or PPSA in form and substance satisfactory to Agent (which statements may have a description of collateral describing such collateral as "all assets" "all property" or similar language which may be broader than that set forth herein). All reasonable (other than relating to Agent's enforcement of its rights hereunder and in the Collateral) charges, expenses and fees Agent may incur in doing any of the foregoing, and any local taxes relating thereto, shall be charged to Borrowers' Account, as a Revolving Advance of a Domestic Rate Loan and added to the Obligations, or, at Agent's option, shall be paid by the applicable Credit Party to Agent for its benefit and for the ratable benefit of Lenders promptly upon demand.

4.3 Preservation of Collateral. During the continuance of an Event of Default, in addition to the rights and remedies set forth in Section 11.1 hereof, Agent: (a) may at any time take such steps as Agent deems necessary to protect Agent's interest in and to preserve the Collateral, including the hiring of such security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any of any Credit Party's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Credit Party's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; and (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any of the Credit Parties' owned or leased property. Each Credit Party shall cooperate fully with all of Agent's efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct. All of Agent's expenses of preserving the Collateral under this Section 4.3, including any expenses relating to the bonding of a custodian, shall be charged to Borrowers' Account, as a Revolving Advance maintained as a Domestic Rate Loan and added to the Obligations.

4.4 Ownership of Collateral.

(a) With respect to the Collateral, at the time the Collateral becomes subject to Agent's security interest: (i) the Credit Parties or any one of them shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a security interest in each and every item of its respective Collateral to Agent; and, except for Permitted Encumbrances the Collateral shall be free and clear of all Liens; (ii) all signatures and endorsements of each Credit Party that appear on such documents and agreements shall be genuine and each Credit Party shall have full capacity to execute same; and (iii) each Credit Party's Inventory shall be located at one of the locations set forth on Schedule 4.4 or otherwise set forth in a written notice from a Credit Party to the Agent and shall not be removed from such location(s) without the prior written consent of Agent (not to be unreasonably withheld, delayed or conditioned) except (x) to the extent in transit, (y) the sale or disposition thereof to the extent permitted under this Agreement or any Other Document, or (z) if such Inventory is located at a customer's address set forth in any Rental Agreement or applicable work site.

(b) (i) There is no location at which any Credit Party has any Inventory (except for Inventory in transit or Inventory at a customer's address set forth in any Rental Agreement or applicable work site) other than those locations listed on Schedule 4.4 and any other locations after the Restatement Date so long as the provisions of Section 4.4(a) have been complied with; (ii) Schedule 4.4 hereto contains a correct and complete list of the addresses of each location at which Inventory of any Credit Party is stored (other than Inventory in transit or Inventory at a customer's address set forth in any Rental Agreement or applicable work site); none of the receipts received by any Credit Party from any warehouse states that the goods covered thereby are to be delivered to bearer or to the order of a named Person or to a named Person and such named Person's assigns; (iii) Schedule 4.4 hereto sets forth a correct and complete list of (A) each place of business of each Credit Party and (B) the chief executive office of each Credit Party and the registered office of each Credit Party organized under the laws of Canada or any province thereof; and (iv) Schedule 4.4 hereto sets forth a correct and complete list of the location, by state and street address, of all Real Property owned or leased by each Credit Party, identifying which properties are owned and which are leased, together with the names and addresses of any landlords.

4.5 Defense of Agent's and Lenders' Interests. Until (a) payment and performance in full of all of the Obligations (other than contingent obligations for which no claim has been made) and (b) termination of this Agreement, Agent's interests in the Collateral shall continue in full force and effect. During such period no Credit Party shall, without Agent's prior written consent, pledge, sell, assign, transfer, create or suffer to exist a Lien upon or encumber or allow or suffer to be encumbered in any way except for Permitted Encumbrances, any part of the Collateral (in each case, except as otherwise permitted under this Agreement or the Other Documents). Each Credit Party shall defend Agent's interests in the Collateral against any and all Persons whatsoever. At any time during the continuance of an Event of Default and following demand by Agent for payment of all Obligations, Agent shall have the right to take possession of the indicia of the Collateral and the Collateral in whatever physical form contained, including: labels, stationery, documents, instruments and advertising materials. If Agent exercises this right to take possession of the Collateral, Credit Parties shall, upon demand, assemble it in a commercially reasonable manner and make it available to Agent at a place reasonably convenient to Agent. In addition, with respect to all Collateral, Agent and Lenders shall be entitled to all of the rights and remedies set forth herein and further provided by the Uniform Commercial Code, PPSA or other Applicable Law. Each Credit Party shall, during the continuance of an Event of Default, following Agent's demand made during the continuance of an Event of Default, and Agent may, within two (2) Business Days of demand, instruct all suppliers, carriers, forwarders, warehousers or others receiving or holding cash, checks, Inventory, documents or instruments in which Agent holds a security interest to deliver same to Agent and/or subject to Agent's order and if they shall come into any Credit Party's possession, they, and each of them, shall be held by such Credit Party in trust as Agent's trustee, and such Credit Party will promptly deliver them to Agent in their original form together with any necessary endorsement.

4.6 Inspection of Premises. At all reasonable times and from time to time as often as Agent shall elect in its sole discretion, Agent and each Lender shall have full access to and the right to audit, check, inspect and make abstracts and copies from each Credit Party's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Credit Party's business. Agent, any Lender and their agents may enter upon any premises of any Credit Party at any time during business hours and at any other reasonable time, and from time to time as often as Agent shall elect in its sole discretion, for the purpose of inspecting the Collateral and any and all records pertaining thereto and the operation of such Credit Party's business.

4.7 Appraisals. The Borrowers shall permit Agent or Agent's representatives to perform the NOLV Appraisals at Borrowers' cost and expense as Agent deems appropriate in Agent's sole discretion, in no event more frequently than twice (once for a physical NOLV Appraisal and once for a desktop NOLV Appraisal) in any fiscal year prior to the occurrence of an Event of Default, and during the existence of an Event of Default, on an unlimited basis, to determine, among other things, the Net Orderly Liquidation Value of the Collateral. In the event the value of Borrowers' Inventory, as so determined pursuant to such NOLV Appraisal, is less than anticipated by Agent or Lenders, such that the Revolving Advances are in excess of such Advances permitted hereunder, then, promptly upon Agent's demand for same, Borrowers shall make mandatory prepayments of the then outstanding Revolving Advances so as to eliminate the excess Advances.

4.8 Receivables.

(a) Nature of Receivables. Each of the Receivables shall be a bona fide and valid account representing a bona fide indebtedness incurred by the Customer therein named, for a fixed sum (subject to customary discounts or reductions permitted in the ordinary course of business and in accordance with past practices) as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of goods upon stated terms of a Borrower (or, for Receivables acquired pursuant to any Permitted Acquisition, such applicable seller), or work, labor or services theretofore rendered by a Borrower (or, for Receivables acquired pursuant to any Permitted Acquisition, such applicable seller) as of the date each Receivable is created. Same shall be due and owing in accordance with the applicable Borrower's standard terms of sale without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by Borrowers to Agent.

(b) Customers. Each Customer, to the best of each Borrower's knowledge, as of the date each Receivable is created, is and will be solvent and able to pay all Receivables on which the Customer is obligated in full when due. With respect to such Customers of any Borrower who are not solvent, such Borrower has set up on its books and in its financial records bad debt reserves adequate to cover such Receivables.

(c) Location of Credit Parties. As of the Restatement Date, each Borrower's chief executive office is located at the address set forth on Schedule 4.4. Until written notice is given to Agent by Borrowing Agent of any other office at which any Borrower keeps its records pertaining to Receivables, all such records shall be kept at such office. Thereafter, such records shall be kept at the office of which Agent has most recently been so notified in writing.

(d) Collection of Receivables. Borrowers shall instruct their Customers to deliver all remittances upon Receivables to a lockbox account or Blocked Account as contemplated by Section 4.8(h) or as otherwise agreed to from time to time by Agent. Notwithstanding the foregoing, to the extent any Borrower directly receives any remittances upon Receivables, such Borrower will, at such Borrower's sole cost and expense, but on Agent's behalf and for Agent's account, collect as Agent's property and in trust for Agent all amounts received on Receivables, and shall not commingle such collections with any Borrower's funds or use the same except to pay Obligations, and shall as soon as possible and in any event no later than one (1) Business Day after the receipt thereof (i) in the case of remittances paid by check, deposit all such remittances in their original form (after supplying any necessary endorsements) and (ii) in the case of remittances paid by wire transfer of funds, transfer all such remittances, in each case, into such Blocked Accounts(s) and/or Depository Account(s). Each Borrower shall deposit in the Blocked Account and/or Depository Account or, upon request by Agent during a Cash Dominion Period, deliver to Agent, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidences of Indebtedness other than amounts received pursuant to the life insurance policy obtained in connection with the Domino Repurchase Agreement.

(e) Notification of Assignment of Receivables. At any time following the occurrence and during the continuance of an Event of Default, Agent shall have the right to send notice of the assignment of, and Agent's security interest in and Lien on, the Receivables to any and all Customers or any third party holding or otherwise concerned with any of the Collateral. At any time after the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Agent's actual collection expenses, including, but not limited to, stationery and postage, telephone and telegraph, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrowers' Account and added to the Obligations.

(f) Power of Agent to Act on the Borrowers' Behalf. During the continuance of an Event of Default (except to the extent otherwise agreed in any treasury management agreement between any Borrower and Agent), Agent shall have the right to receive, endorse, assign and/or deliver in the name of Agent or any Borrower any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Borrower hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Borrower hereby constitutes Agent or Agent's designee as such Borrower's attorney with power (i) at any time: (A) to endorse such Borrower's name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral upon and during the continuance of an Event of Default (except to the extent otherwise agreed in treasury management agreement between any Borrower and Agent); (B) to sign such Borrower's name on any invoice or bill of lading relating to any of the Receivables, drafts against Customers, assignments and verifications of Receivables, upon and during the continuance of an Event of Default; (C) to send verifications of Receivables to any Customer (*provided*, that, so long as no Event of Default has occurred and is continuing, Agent shall only conduct verifications of Receivables over the phone with participation from Borrowers or with Borrowers being present); and (D) to sign such Borrower's name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same upon and during the continuance of an Event of Default; and (ii) at any time during the continuance of an Event of Default: (A) to demand payment of the Receivables; (B) to enforce payment of the Receivables by legal proceedings or otherwise; (C) to exercise all of such Borrower's rights and remedies with respect to the collection of the Receivables and any other Collateral; (D) to settle, adjust, compromise, extend or renew the Receivables; (E) to settle, adjust or compromise any legal proceedings brought to collect Receivables; (F) to prepare, file and sign such Borrower's name on a proof of claim in bankruptcy or similar document against any Customer; (G) to prepare, file and sign such Borrower's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables; and (H) to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless in bad faith done maliciously or with gross (not mere) negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment); this power being coupled with an interest is irrevocable while any of the Obligations remain unpaid. Agent shall have the right at any time during the continuance of an Event of Default to change the address for delivery of mail addressed to any Borrower to such address as Agent may designate and to receive, open and dispose of all mail addressed to any Borrower.

(g) No Liability. Neither Agent nor any Lender shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof, or for any damage resulting therefrom, except for the bad faith, gross negligence or willful misconduct of the Agent as determined by a final and non- appealable judgment of a court of competent jurisdiction. During the continuance of an Event of Default, Agent may, without notice or consent from any Borrower, sue upon or otherwise collect, extend the time of payment of, compromise or settle for cash, credit or upon any terms any of the Receivables or any other securities, instruments or insurance applicable thereto and/or release any obligor thereof. Agent is authorized and empowered to accept, during the continuance of an Event of Default, the return of the goods represented by any of the Receivables, without notice to or consent by any Borrower, all without discharging or in any way affecting any Borrower's liability hereunder.

(h) Establishment of a Lockbox Account, Dominion Account. All proceeds of Collateral shall be deposited by the Credit Parties (other than proceeds of Collateral of any Credit Party that is a Foreign Subsidiary not formed or organized under the laws of Canada or any province thereof) into either (i) a springing "blocked account" ("Blocked Accounts") established at a bank or banks (each such bank, a "Blocked Account Bank") pursuant to an arrangement with such Blocked Account Bank as may be selected by Borrowing Agent and be acceptable to Agent in its Permitted Discretion or (ii) depository accounts ("Depository Accounts") established at Agent for the deposit of such proceeds. Each applicable Credit Party, Agent and each Blocked Account Bank shall enter into a deposit account control agreement in form and substance satisfactory to Agent in its Permitted Discretion that is sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such account and which permits Agent, during a Cash Dominion Period, to direct such Blocked Account Bank to transfer such funds so deposited on a daily basis or at other times acceptable to Agent, either to any account maintained by Agent at said Blocked Account Bank or by wire transfer to appropriate account(s) of Agent. All funds deposited in such Blocked Accounts or Depository Accounts shall immediately become subject to the security interest of Agent for its own benefit and the ratable benefit of Issuer, Lenders and all other holders of the Obligations, and Borrowing Agent shall obtain the agreement by such Blocked Account Bank to waive any offset rights against the funds so deposited as provided in the applicable control agreement. Neither Agent nor any Lender assumes any responsibility for such blocked account arrangement, including any claim of accord and satisfaction or release with respect to deposits accepted by any Blocked Account Bank thereunder. So long as no Cash Dominion Period is then in effect, the Credit Parties shall retain the right to direct the disposition of funds in the Blocked Accounts. At any time during a Cash Dominion Period, Agent shall have the sole and exclusive right to direct and apply all funds from the Blocked Accounts and/or Depository Accounts to the satisfaction of the Obligations (including the cash collateralization of the Letters of Credit) in such order as Agent shall determine in its sole discretion, provided that, in the absence of any Event of Default, Agent shall apply all such funds representing collection of Receivables first to the prepayment of the principal amount of the Swing Loans, if any, and then to the Revolving Advances. Borrowing Agent shall notify each Customer of any Borrower (other than a Borrower that is a Foreign Subsidiary not formed or organized under the laws of Canada or any province thereof) to send all future payments owed to such Borrower by such Customer, including, but not limited to, payments on any Receivable, to a Blocked Account or Depository Account, (i) with respect to any Person that is a Customer of any such

Borrower on the Closing Date, within sixty (60) days of the Closing Date and (ii) with respect to any Person that is not a Customer on the Closing Date, promptly upon such Person becoming a Customer of such a Borrower. If any Credit Party (other than any Credit Party that is a Foreign Subsidiary not formed or organized under the laws of Canada or any province thereof) shall receive any collections or other proceeds of the Collateral, such Credit Party shall hold such collections or proceeds in trust for the benefit of Agent and deposit such collections or proceeds into a Blocked Account or Depository Account within one (1) Business Day following such Credit Party's receipt thereof. All Deposit Accounts, investment accounts and other bank accounts of any Credit Party, including, without limitation, all Blocked Accounts and Depository Accounts are described and set forth on Schedule 4.8(h) hereto. Notwithstanding the foregoing, in accordance with Section 4.1 hereof, Contributing Foreign Subsidiaries and, to the extent of amounts in excess of the Excluded Foreign Asset Threshold, other Credit Parties or Subsidiaries of Credit Parties may, in each case, be required to maintain their cash and cash equivalents in Blocked Accounts, Depository Accounts, or other similar accounts (with analogous arrangements necessary to perfect a Lien in favor of Agent) subject to Agent's perfected Lien over such accounts and the funds on deposit therein, in each case, under the law of the jurisdiction in which such accounts are maintained.

(i) Adjustments. No Borrower will, without Agent's consent, compromise or adjust any Receivables (or extend the time for payment thereof) or accept any returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances as have been granted in the Ordinary Course of Business of such Borrower in its reasonable business judgment.

(j) Additional Deposit Accounts. No Credit Party shall open any new deposit account, securities account or investment account, other than the Specified Permitted Investments Account, unless (i) the Credit Parties shall have given at least thirty (30) days prior written notice to Agent and (ii) if such account is to be maintained with a bank, depository institution or securities intermediary that is not the Agent, such bank, depository institution or securities intermediary, each applicable Credit Party and Agent shall first have entered into an account control agreement in form and substance satisfactory to Agent sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code or the purposes of the PPSA or the *Securities Transfer Act* (Alberta), as applicable) over such account.

4.9 Inventory. To the extent Inventory held for sale or lease has been produced by any Credit Party, it has been and will be produced by such Credit Party in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

4.10 Maintenance of Equipment. The Equipment shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the Equipment shall be maintained and preserved, except to the extent the Credit Parties in their reasonable business judgment, determine that such maintenance or repair is not necessary or desirable in the operation of the Credit Parties' business. No Credit Party shall use or operate the Equipment in material violation of any law, statute, ordinance, code, rule or regulation.

4.11 Exculpation of Liability. Nothing herein contained shall be construed to constitute Agent or any Lender as any Credit Party's agent for any purpose whatsoever, nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof, except for the gross negligence or willful misconduct of the Agent as determined by a final and non-appealable judgment of a court of competent jurisdiction. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assume any of any Credit Party's obligations under any contract or agreement assigned to Agent or such Lender, and neither Agent nor any Lender shall be responsible in any way for the performance by any Credit Party of any of the terms and conditions thereof.

4.12 Financing Statements. As of the Restatement Date, except with respect to the financing statements filed by Agent, the financing statements described on Schedule 1.2(b), and the financing statements pertaining to Permitted Encumbrances, no effective financing statement covering any of the Collateral or any proceeds thereof is on file in any public office. Thereafter, other than the exceptions in the foregoing sentence, no authorized financing statement covering any of the Collateral or any proceeds thereof is or will be on file in any public office.

V. REPRESENTATIONS AND WARRANTIES.

Each Credit Party represents and warrants as follows:

5.1 Authority. Each Credit Party has full power, authority and legal right to enter into this Agreement and the Other Documents to which it is a party and to perform all its respective Obligations hereunder and thereunder. This Agreement and the Other Documents to which it is a party have been duly executed and delivered by each Credit Party, and this Agreement and the Other Documents to which it is a party constitute the legal, valid and binding obligation of such Credit Party enforceable in accordance with their terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and general principles of equity. The execution, delivery and performance of this Agreement and of the Other Documents to which it is a party (a) are within such Credit Party's corporate or company powers, as applicable, have been duly authorized by all necessary corporate or company action, as applicable, are not in contravention of the terms of such Credit Party's Organizational Documents, (b) will not conflict with or violate, in any material respect, any Applicable Law or regulation, or any judgment, order or decree of any Governmental Body binding on the Credit Parties, (c) will not require the Consent of any Governmental Body, except those Consents obtained on or before the date hereof or such others set forth on Schedule 5.1 hereto, all of which will have been duly obtained, made or compiled prior to the Restatement Date and which are in full force and effect and (d) will not conflict with, nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Credit Party under the provisions of any material agreement, Organizational Document or other material instrument to which such Credit Party is a party or by which it or its property is a party or by which it may be bound.

5.2 Formation and Qualification.

(a) Each Credit Party is duly incorporated or formed, as applicable, and in good standing under the laws of the state or province, as applicable, listed on Schedule 5.2(a) and is qualified to do business and is in good standing, in all states or provinces, as applicable, in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect. As of the Restatement Date, each Credit Party has delivered to Agent true and complete copies of its Organizational Documents and will promptly notify Agent of any material amendment or changes thereto to the extent such notice is required hereunder.

(b) The only Subsidiaries of each Credit Party as of the Restatement Date are listed on Schedule 5.2(b).

5.3 Survival of Representations and Warranties. All representations and warranties of the Credit Parties contained in this Agreement and the Other Documents shall be true in all material respects (unless already qualified by materiality in such specific provision) at the time of such Credit Party's execution of this Agreement and the Other Documents, except to the extent relating to an earlier date, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

5.4 Tax Returns. Each Credit Party's federal tax identification number or Canadian equivalent of each Credit Party is set forth on Schedule 5.4. Each Credit Party has filed all federal, material state, provincial, municipal and local income tax returns and other material tax returns each is required by law to file and has paid all taxes, assessments, fees and other governmental charges that are shown on such material returns as being due and payable, except to the extent being Properly Contested or as would not reasonably be expected to have a Material Adverse Effect.

5.5 Financial Statements.

(a) The pro forma balance sheet of the Credit Parties on a Consolidated Basis (the "Pro Forma Balance Sheet") included in the proxy statement/prospectus/consent solicitation statement filed by ROC Energy Acquisition Corp. with the SEC on May 12, 2023 (the "Proxy Statement") was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery. All financial statements referred to in this subsection 5.5(a), including the related schedules and notes thereto, have been prepared in accordance with GAAP consistently applied, except as may be disclosed in such financial statements.

(b) The fiscal year 2023 financial projections of the Credit Parties on a Consolidated Basis included in the Proxy Statement (the "Projections") are based on underlying assumptions which provide a reasonable basis for the projections contained therein and were prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that projections are subject to significant uncertainties and contingencies, many of which are beyond any Credit Party's control, that no assurance can be given that such projections will be realized and that actual results may differ from results forecast in any projections and such differences may be material). The Projections together with the Pro Forma Balance Sheet are referred to as the "Pro Forma Financial Statements".

(c) The balance sheet of the Credit Parties on a Consolidated Basis as of December 31, 2022, and the related statements of income, changes in stockholder's equity, and changes in cash flow for the period ended on such date, copies of which have been delivered to Agent, have been prepared in accordance with GAAP, consistently applied and present fairly the financial position of the Credit Parties on a Consolidated Basis at such date and the results of their operations for such period.

5.6 Entity Names. Except as set forth on Schedule 5.6, as of the Restatement Date, no Credit Party (i) has been known by any other corporate name in the past five (5) years, (ii) sells Inventory under any other name, nor (iii) has been the surviving corporation or company, as applicable, of a merger or consolidation or acquired all or substantially all of the assets of any Person during the five (5) years preceding the Restatement Date.

5.7 O.S.H.A. and Environmental Compliance. Except as set forth on Schedule 5.7 hereto, or as would not reasonably be expected to have a Material Adverse Effect:

(a) each Credit Party, and its facilities, business, assets, property, leaseholds, Real Property and Equipment are in material compliance with, the provisions of the Federal Occupational Safety and Health Act, and all other Environmental Laws;

(b) there are no material outstanding citations, notices or orders of non compliance issued to any Credit Party or relating to its business, assets, property, leaseholds or Equipment under any such laws, rules or regulations;

(c) each Credit Party has been issued all required federal, state, provincial and local licenses, certificates or permits (collectively, "Approvals") relating to all applicable Environmental Laws and all such Approvals are current and in full force and effect;

(d) (i) there have been no releases, spills, discharges, leaks or disposal (collectively referred to as "Releases") of Hazardous Materials at, upon, under or migrating from or onto any Real Property owned, leased or occupied by any Credit Party, except for those Releases which are in full compliance with Environmental Laws; (ii) there are no underground storage tanks or polychlorinated biphenyls on any Real Property owned, leased or occupied by any Credit Party, except for such underground storage tanks or polychlorinated biphenyls that are present in compliance with Environmental Laws; (iii) the Real Property including any premises owned, leased or occupied by any Credit Party has never been used by any Credit Party to dispose of Hazardous Materials, except as authorized by Environmental Laws; and (iv) no Hazardous Materials are managed by any Credit Party on any Real Property including any premises owned, leased or occupied by any Credit Party, excepting such quantities as are managed in accordance with all applicable manufacturer's instructions and compliance with Environmental Laws and as are necessary for the operation of the commercial business of any Credit Party or of its tenants; and

(e) all Real Property owned by the Credit Parties is insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each such Credit Party in accordance with prudent business practice in the industry of such Credit Party. Each Credit Party has taken all actions required under the Flood Laws and/or requested by Agent to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Collateral, including, but not limited to, providing Agent with the address and/or GPS coordinates of each structure located upon any Real Property that will be subject to a Mortgage in favor of Agent, for the benefit of Lenders, and, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Collateral.

5.8 Solvency; No Litigation, Violation, Indebtedness or Default; ERISA Compliance.

(a) (i) Each Credit Party is, and after giving effect to the Transactions, will be, solvent, able, and after giving effect to the Transactions, will be able, to pay its debts as they mature, has, and after giving effect to the Transactions, will have, capital sufficient to carry on its business and all businesses in which it is about to engage, and the fair present saleable value of its assets, calculated on a going concern basis, is, and after giving effect to the Transactions, will be, in excess of the amount of its liabilities.

(b) Except as disclosed in Schedule 5.8(b), no Credit Party has any pending, or to the knowledge of the Credit Parties, threatened, litigation, arbitration, actions or proceedings which could reasonably be expected to have a Material Adverse Effect.

(c) No Credit Party is in violation of any Applicable Law in any respect which could reasonably be expected to have a Material Adverse Effect, nor is any Credit Party in violation of any order of any court, Governmental Body or arbitration board or tribunal which would reasonably be expected to have a Material Adverse Effect.

(d) Other than as listed on Schedule 5.8(d) hereto, as of the Restatement Date, (i) no Credit Party or any Subsidiary of any Credit Party maintains or is required to contribute to any Plan and (ii) no member of the Controlled Group maintains or is required to contribute to any Pension Benefit Plan or Multiemployer Plan. Except as would not reasonably be expected to have a Material Adverse Effect, (i) each Credit Party and each member of the Controlled Group has met all applicable minimum funding requirements under Section 302 of ERISA and Section 412 of the Code in respect of each Pension Benefit Plan, and each Pension Benefit Plan is in compliance with Sections 412, 430 and 436 of the Code and Sections 206(g), 302 and 303 of ERISA, without regard to waivers and variances; (ii) each Pension Benefit Plan which is intended to be a qualified plan under Section 401(a) of the Code as currently in effect has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Code and the trust related thereto is exempt from federal income tax under Section 501(a) of the Code or an application for such a determination is currently being processed by the Internal Revenue Service; (iii) no Pension Benefit Plan has been terminated by the plan administrator thereof nor by the PBGC, and there is no occurrence which would cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Benefit Plan; (iv) the current value of the assets of each Pension Benefit Plan exceeds the present value of the accrued benefits and other liabilities of such Pension Benefit Plan and no Credit Party knows of any facts or circumstances which would materially change the value of such assets and accrued benefits and other liabilities; (v) neither any Credit Party nor any member of the Controlled Group has breached any of the responsibilities, obligations or duties imposed on it by ERISA with respect to any Plan; (vi) neither any Credit Party nor any member of a Controlled Group has incurred any liability for any excise tax arising under Section 4971, 4972 or 4980B of the Code, and no fact exists which could reasonably be expected to give rise to any such liability; (vii) neither any Credit Party nor any member of the Controlled Group nor, to the knowledge of any Credit Party, any fiduciary of, nor any trustee to, any Plan, has engaged in a

"prohibited transaction" described in Section 406 of the ERISA or Section 4975 of the Code with respect to a Plan; (viii) no Termination Event has occurred or is reasonably expected to occur; (ix) neither any Credit Party nor any member of the Controlled Group has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA; (x) neither any Credit Party nor any member of the Controlled Group maintains or is required to contribute to any Plan which provides health, accident or life insurance benefits to former employees, their spouses or dependents, other than in accordance with Section 4980B of the Code; and (xi) no Credit Party or any Subsidiary of a Credit Party has any liability for breach of fiduciary duty or for any failure in connection with the administration or investment of the assets of a Plan. With respect to each member of the Controlled Group that is not a Credit Party, and any Plans related to any such member, the representations set forth in this Section 5.8(d) are made without taking into consideration any noncompliance, events, conditions, or liabilities of portfolio companies owned or controlled by Sponsor and its affiliates, including any of the investment funds established by any of them, other than the Credit Parties and their respective Subsidiaries, except to the extent that any such noncompliance, events, conditions, or liabilities results in or may reasonably be expected to result in liability asserted against or imposed on any Credit Party.

(e) As of the Restatement Date, no Credit Party nor any of its Subsidiaries maintains, sponsors, administers, contributes to, participates in or has any liability in respect of any Specified Canadian Pension Plan, nor has any such Person ever maintained, sponsored, administered, contributed or participated in any Specified Canadian Pension Plan. Except as, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, (i) the Canadian Pension Plans are duly registered under the ITA and any other Applicable Laws which require registration, have been administered in accordance with the ITA and such other applicable law and no event has occurred which could cause the loss of such registered status, (ii) all obligations of the Credit Parties and their respective Subsidiaries (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans and the funding agreements relating thereto have been performed on a timely basis, and (iii) all contributions or premiums required to be made or paid by the Credit Parties and their respective Subsidiaries to the Canadian Pension Plans have been made on a timely basis in accordance with the terms of such plans and all Applicable Laws.

5.9 Patents, Trademarks, Copyrights and Licenses. All material Intellectual Property owned or utilized by any Credit Party: (i) is set forth on Schedule 5.9; (ii) is valid and has been duly registered or filed with all appropriate Governmental Bodies; and (iii) constitutes all of the intellectual property rights which are necessary for the operation of its business. There is no objection to, pending challenge to the validity of, or proceeding by any Governmental Body to suspend, revoke, terminate or adversely modify, any such Intellectual Property and no Credit Party is aware of any grounds for any challenge or proceedings, except as set forth in Schedule 5.9 hereto.

5.10 Licenses and Permits. Except as set forth in Schedule 5.10 or as could otherwise not reasonably be expected to have a Material Adverse Effect, each Credit Party (a) is in material compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, state, provincial or local law, rule or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business.

5.11 Default of Indebtedness. No Credit Party is in default in the payment of the principal of or interest on any Indebtedness or under any instrument or agreement under or subject to which any Indebtedness has been issued, and no event has occurred under the provisions of any such instrument or agreement which with or without the lapse of time or the giving of notice, or both, constitutes or would constitute an event of default thereunder, in each case, that constitutes an Event of Default hereunder.

5.12 No Default. No Event of Default has occurred and is continuing.

5.13 No Burdensome Restrictions. No Credit Party is party to any contract or agreement the performance of which could reasonably be expected to have a Material Adverse Effect. No Credit Party has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.14 No Labor Disputes. No Credit Party is involved in any material labor dispute nor are there any strikes or walkouts or union organization of any Credit Party's employees threatened or in existence and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.14 hereto, which, in each case, that could reasonably be expected to result in a Material Adverse Effect.

5.15 Margin Regulations. No Credit Party is engaged, nor will it engage, 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 respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors, except as otherwise expressly permitted in this Agreement with respect to the Specified Permitted Investments.

5.16 Investment Company Act. No Credit Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

5.17 Disclosure. No representation or warranty made by any Credit Party in this Agreement or in any financial statement, report, certificate or any other document furnished in connection herewith or therewith contains any untrue statement of fact or omits to state any fact necessary to make the statements herein or therein not materially misleading. There is no fact known to any Credit Party or which reasonably should be known to such Credit Party which such Credit Party has not disclosed to Agent in writing with respect to the transactions contemplated by this Agreement which could reasonably be expected to have a Material Adverse Effect.

5.18 Swaps. No Credit Party is a party to, nor will it be a party to, any swap agreement whereby such Credit Party has agreed or will agree to swap interest rates or currencies unless same provides that damages upon termination following an event of default thereunder are payable on an unlimited "two-way basis" without regard to fault on the part of either party.

5.19 Business and Property of the Credit Parties. Upon and after the Restatement Date, the Credit Parties do not propose to engage in any business other than the business set forth on Schedule 1.2(a) and any business which is reasonably related thereto or a logical extension thereof.

5.20 Ineligible Securities. Credit Parties do not intend to use and shall not use any portion of the proceeds of the Advances, directly or indirectly, to purchase during the underwriting period, or for 30 days thereafter, Ineligible Securities being underwritten by a securities Affiliate of Agent or any Lender.

5.21 Federal Securities Laws. Neither any Credit Party nor any of its Subsidiaries (i) is required to file periodic reports under the Exchange Act, (ii) has any securities registered under the Exchange Act or (iii) has filed a registration statement that has not yet become effective under the Securities Act or any applicable Canadian securities legislation.

5.22 Equity Interests. With respect to each Credit Party that is a Subsidiary of Parent, (a) the authorized and outstanding Equity Interests of such Credit Parties are as set forth on Schedule 5.22 hereto, (b) all of the Equity Interests of such Credit Parties have been duly and validly authorized and issued and are fully paid and non-assessable (to the extent such concept is applicable under foreign law) and have been sold and delivered to the holders thereof in compliance with, or under valid exemption from, all federal, state and provincial laws and the rules and regulations of each Governmental Body governing the sale and delivery of securities, (c) except for the Organizational Documents and the rights and obligations set forth on Schedule 5.22 there are no subscriptions, warrants, options, calls, commitments, rights or agreement by which any of such Credit Parties is bound relating to the issuance, transfer, voting or redemption of shares of its Equity Interests or any pre-emptive rights held by any Person with respect to the Equity Interests of such Credit Parties, and (d) except as set forth on Schedule 5.22, such Credit Parties have not issued any securities convertible into or exchangeable for shares of its Equity Interests or any options, warrants or other rights to acquire such shares or securities convertible into or exchangeable for such shares.

5.23 Commercial Tort Claims. No Credit Party is a party to any commercial tort claims, except as set forth on Schedule 5.23 hereto.

5.24 Letter of Credit Rights. No Credit Party has any letter of credit rights, except as set forth on Schedule 5.24 hereto.

5.25 Material Contracts. Schedule 5.25 sets forth all Material Contracts of the Credit Parties as of the Restatement Date. Each Credit Party has heretofore delivered to Agent true and complete copies of all Material Contracts to which it is a party or to which it or any of its properties is subject, in each case as of the Restatement Date. Except as would not reasonably be expected to have a Material Adverse Effect, all Material Contracts are in full force and effect and no material defaults currently exist thereunder.

5.26 Delivery of Acquisition Agreements . Agent has received complete copies of the ROC Merger Agreement (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any) and each other material document, instrument, agreement or certificate entered into in connection therewith and all material amendments thereto, material

waivers relating thereto and other material side letters or agreements affecting the terms thereof. None of such documents and agreements have been materially amended or supplemented, nor have any of the material provisions thereof been waived, except pursuant to a written agreement or instrument which has heretofore been delivered to Agent. To the Credit Parties' knowledge, each of the representations made by each Person party thereto is true and correct in all material (without duplication of any materiality or Material Adverse Effect qualifier) respects.

5.27 Certificate of Beneficial Ownership. The Certificate of Beneficial Ownership executed and delivered to Agent and Lenders for each Credit Party on or prior to the date of this Agreement, as updated from time to time in accordance with this Agreement, is accurate, complete and correct as of the date thereof and, after giving effect to such applicable update, as of the date any such update is delivered. Each Credit Party acknowledges and agrees that the Certificate of Beneficial Ownership is one of the Other Documents.

VI. AFFIRMATIVE COVENANTS.

Each Credit Party shall, until payment in full of the Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted by Agent or any Lender) and termination of this Agreement:

6.1 Compliance with Laws. Comply with all Applicable Laws with respect to the Collateral or any part thereof or to the operation of such Credit Party's business the non-compliance with which could reasonably be expected to have a Material Adverse Effect (except to the extent any separate provision of this Agreement shall expressly require compliance with any particular Applicable Law(s) pursuant to another standard). Each Credit Party may, however, contest or dispute any Applicable Laws in any reasonable manner, provided that any related Lien is inchoate or stayed and sufficient reserves are established to the satisfaction of Agent in its Permitted Discretion to protect Agent's Lien on or security interest in the Collateral.

6.2 Conduct of Business and Maintenance of Existence and Assets. (a) Conduct continuously and operate actively its business according to good business practices and maintain all of its properties useful or necessary in its business in good working order and condition (reasonable wear and tear excepted and except as may be disposed of in accordance with the terms of this Agreement), including all Intellectual Property and take all actions necessary to enforce and protect the validity of any intellectual property right or other right included in the Collateral; (b) other than as permitted in Section 7.1, keep in full force and effect its existence and comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so could reasonably be expected to have a Material Adverse Effect; and (c) make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States or any political subdivision thereof where the failure to do so could reasonably be expected to have a Material Adverse Effect.

6.3 Books and Records. Keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs (including without limitation accruals for taxes, assessments, Charges, levies and claims, allowances against doubtful Receivables and accruals for depreciation, obsolescence or amortization of assets), all in accordance with, or as required by, GAAP consistently applied.

6.4 Payment of Taxes. Pay, when due, all Taxes lawfully levied or assessed upon such Credit Party or any of the Collateral other than amounts that are Properly Contested or as would not reasonably be expected to have a Material Adverse Effect. Solely to the extent that any Credit Party fails to comply with the undertaking set forth in the immediately preceding sentence, Agent shall be authorized, during the continuation of an Event of Default, to pay such Taxes to the appropriate Governmental Body to the extent, in Agent's Permitted Discretion, such failure is reasonably expected to create a valid Lien on the Collateral. Agent shall use commercially reasonable efforts to notify and consult with such Credit Party prior to making any such payment and as soon as practicable after making any such payment, Agent shall deliver to such Credit Party the original or a certified copy of a receipt issued by such Governmental Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Credit Party. Notwithstanding anything herein to the contrary, Agent will not pay any Taxes to the extent that any applicable Credit Party has Properly Contested such Taxes. The amount of any payment by Agent under this Section 6.4 shall be charged to Borrowers' Account as a Revolving Advance maintained as a Domestic Rate Loan and added to the Obligations and, until Borrowers shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Borrowers' credit and Agent shall retain its security interest in and Lien on any and all Collateral held by Agent.

6.5 Financial Covenants.

(a) Liquidity. Cause to be maintained, at all times, Liquidity of not less than $6,000,000.

(b) Fixed Charge Coverage Ratio. Cause the Fixed Charge Coverage Ratio, as of the last day of each fiscal quarter of Parent during a Cash Dominion Period, to be greater than or equal to 1.10 to 1.00.

(c) Leverage Ratio. Cause the Leverage Ratio, as of the last day of each fiscal quarter of Parent during a Cash Dominion Period, to be less than or equal to 3.0 to 1.0.

6.6 Insurance.

(a) (i) Keep all its insurable properties and properties in which such Credit Party has an interest insured against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, as is customary in the case of companies engaged in businesses similar to such Credit Party's including business interruption insurance; (ii) maintain public and product liability insurance against claims for personal injury, death or property damage suffered by others; (iii) maintain all such worker's compensation or similar insurance as may be required under the laws of any state or jurisdiction in which such Credit Party is engaged in business; and (iv) furnish Agent with (A) copies of all policies and evidence of the maintenance of such policies by the renewal thereof at least thirty (30) days before any expiration date, and (B) appropriate loss payable endorsements in form and

substance satisfactory to Agent, naming Agent as an additional insured and mortgagee and/or lender loss payee/first loss payee (as applicable) as its interests may appear with respect to all insurance coverage referred to in clauses (i) and (ii) above, and providing (I) that all proceeds thereunder shall be payable to Agent, (II) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (III) that such policy and loss payable clauses may not be cancelled, amended or terminated unless at least thirty (30) days prior written notice is given to Agent (or in the case of non-payment, at least ten (10) days prior written notice). In the event of any loss thereunder, the carriers named therein hereby are directed by Agent and the applicable Credit Party to make payment for such loss to Agent and not to such Credit Party and Agent jointly. If any insurance losses are paid by check, draft or other instrument payable to any Credit Party and Agent jointly, Agent may endorse such Credit Party's name thereon and do such other things as Agent may deem advisable to reduce the same to cash.

(b) Each Credit Party shall take all actions required under the Flood Laws and/or requested by Agent to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Collateral, including, but not limited to, providing Agent with the address and/or GPS coordinates of each structure on any real property that will be subject to a mortgage in favor of Agent, for the benefit of Lenders, and, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Collateral, and thereafter maintaining such flood insurance in full force and effect for so long as required by the Flood Laws.

(c) Agent is hereby authorized, during the continuation of an Event of Default, to adjust and compromise claims under insurance coverage referred to in Sections 6.6(a)(i), and (iii) and 6.6(b) above. All loss recoveries received by Agent under any such insurance may be applied to the Obligations, in such order as Agent in its sole discretion shall determine. Any surplus shall be paid by Agent to Borrowers or applied as may be otherwise required by law. Anything hereinabove to the contrary notwithstanding, and subject to the fulfillment of the conditions set forth below, Agent shall remit to Borrowing Agent insurance proceeds received by Agent during any calendar year under insurance policies procured and maintained by the Credit Parties which insure the Credit Parties' insurable properties to the extent such insurance proceeds do not exceed $200,000 in the aggregate during such calendar year or $200,000 per occurrence. In the event the amount of insurance proceeds received by Agent for any occurrence exceeds $200,000, then Agent shall not be obligated to remit the insurance proceeds to Borrowing Agent unless Borrowing Agent shall provide Agent with evidence satisfactory to Agent in its Permitted Discretion that the insurance proceeds will be used by Borrowers to repair, replace or restore the insured property which was the subject of the insurable loss. In the event Borrowing Agent has previously received (or, after giving effect to any proposed remittance by Agent to Borrowing Agent would receive) insurance proceeds which equal or exceed $200,000 in the aggregate during any calendar year, then Agent may, in its sole discretion, either remit the insurance proceeds to Borrowing Agent upon Borrowing Agent providing Agent with evidence satisfactory in its Permitted Discretion to Agent that the insurance proceeds will be used by Borrowers to repair, replace or restore the insured property which was the subject of the insurable loss, or apply the proceeds to the Obligations, as aforesaid. The agreement of Agent to remit insurance proceeds in the manner above provided shall be subject in each instance to satisfaction of each of the following conditions: (x) No Event of Default or Default shall then have occurred, (y) Borrowers shall use such insurance proceeds promptly to repair, replace or restore the insurable property which was

the subject of the insurable loss and for no other purpose, and (z) such remittances shall be made under such procedures as Agent may establish. If any Credit Party fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, if Agent so elects, may obtain such insurance and pay the premium therefor on behalf of such Credit Party, which payments shall be charged to Borrowers' Account, and constitute part of the obligations.

6.7 Payment of Indebtedness. Pay, discharge or otherwise satisfy at or before maturity (subject, where applicable, to specified grace periods and, in the case of the trade payables, to normal payment practices) all its obligations and liabilities of whatever nature, except when the failure to do so would not reasonably be expected to have a Material Adverse Effect or when the amount or validity thereof is currently being Properly Contested, subject at all times to any applicable subordination arrangement in favor of Lenders.

6.8 Environmental Matters.

(a) Ensure that the Real Property owned by a Credit Party and all operations and businesses conducted thereon are in material compliance and remain in material compliance with all Environmental Laws and it shall manage any and all Hazardous Materials on any Real Property owned by a Credit Party in compliance with Environmental Laws.

(b) All potential violations and violations of Environmental Laws which could be reasonably expected to cause a Material Adverse Effect shall be reviewed with legal counsel to determine any required reporting to applicable Governmental Bodies and any required corrective actions to address such potential violations or violations.

(c) Respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral or Real Property owned by a Credit Party to any Lien. If any Credit Party shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint which could be reasonably expected to cause a Material Adverse Effect or any Credit Party shall fail to comply with any of the requirements of any material Environmental Laws, Agent on behalf of Lenders may, but without the obligation to do so, for the sole purpose of protecting Agent's interest in the Collateral: (i) give such notices or (ii) enter onto the Real Property owned by a Credit Party (or authorize third parties to enter onto such Real Property) and take such actions as Agent (or such third parties as directed by Agent) deem necessary or advisable in its Permitted Discretion, to remediate, remove, mitigate or otherwise manage with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by Agent and Lenders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate for Domestic Rate Loans constituting Revolving Advances shall be paid upon demand by Borrowers, and until paid shall be added to and become a part of the Obligations, secured by the Liens created by the terms of this Agreement or any other agreement between Agent, any Lender and any Credit Party.

6.9 Standards of Financial Statements. Cause all financial statements referred to in Sections 9.7, 9.8, 9.9, 9.10, 9.11, 9.12, and 9.13 as to which GAAP is applicable to be complete and correct in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments) and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as disclosed therein and agreed to by such reporting accountants or officer, as applicable).

6.10 Federal Securities Laws. Promptly notify Agent in writing if any Credit Party or any of its Subsidiaries (i) is required to file periodic reports under the Exchange Act, (ii) registers any securities under the Exchange Act or (iii) files a registration statement under the Securities Act or any applicable Canadian securities legislation.

6.11 Execution of Supplemental Instruments. Execute and deliver to Agent from time to time, promptly upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Agent requests pursuant to Section 4.2.

6.12 Government Receivables. Take all steps necessary to protect Agent's interest in the Collateral under the Federal Assignment of Claims Act, the Financial Administration Act (Canada), the Uniform Commercial Code, PPSA and all other applicable state, provincial or local statutes or ordinances and deliver to Agent appropriately endorsed, any instrument or chattel paper connected with any Receivable arising out of any contract between any Borrower and the United States, Canada, any state, province or any department, agency or instrumentality of any of them.

6.13 Keepwell. If it is a Qualified ECP Loan Party, then jointly and severally, together with each other Qualified ECP Loan Party, hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non- Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any Other Document in respect of Swap Obligations (*provided*, *however*, that each Qualified ECP Loan Party shall only be liable under this Section 6.13 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 6.13, or otherwise under this Agreement or any Other Document, voidable under Applicable Law, including Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 6.13 shall remain in full force and effect until payment in full of the Obligations and termination of this Agreement and the Other Documents. Each Qualified ECP Loan Party intends that this Section 6.13 constitute, and this Section 6.13 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each other Borrower and Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the CEA.

6.14 Post-Closing Obligations. The Credit Parties shall cause the conditions set forth on Schedule 6.14 hereto to be satisfied in full, on or before the date specified for each such condition (or such later date as Agent may agree to at its sole discretion), time being of the essence, and each to be satisfactory, in form and substance as applicable, to Agent in its Permitted Discretion.

6.15 Canadian Pension Plans. Promptly after any Canadian Borrower knows or has reason to know of the occurrence of (i) the formation of any Canadian Pension Plan governed by the law of any jurisdiction in Canada other than the laws of the Province of Quebec; (ii) any violation or asserted violation of any Applicable Law (including any applicable provincial pension benefits legislation) in any material respect with respect to any Canadian Pension Plan; or (iii) any Canadian Pension Termination Event, the applicable Canadian Borrower will deliver to the Agent a certificate of a senior officer of the applicable Canadian Borrower setting forth details as to such occurrence and the action, if any, that such Canadian Borrower is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by such Canadian Borrower, FSRA, a Canadian Pension Plan participant (other than notices relating to an individual participant's benefits) or the Canadian Pension Plan administrator with respect thereto.

6.16 Certificate of Beneficial Ownership and Other Additional Information. Provide to Agent and the Lenders: (a) upon request by Agent or any Lender, confirmation of the accuracy of the information set forth in the most recent Certificate of Beneficial Ownership provided to the Agent and Lenders; (b) a new Certificate of Beneficial Ownership, in form and substance acceptable to Agent and each Lender, promptly when the Persons required to be identified as a Beneficial Owner have changed; and (c) such other information and documentation as may reasonably be requested by Agent or any Lender from time to time for purposes of compliance by Agent or such Lender with Applicable Laws (including without limitation the USA Patriot Act, "know your customer" Laws and other Anti-Terrorism Laws), and any policy or procedure implemented by Agent or such Lender to comply therewith.

VII. NEGATIVE COVENANTS.

No Credit Party shall, until satisfaction in full of the Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted by Agent or any Lender) and termination of this Agreement:

7.1 Merger, Consolidation, Amalgamation, Acquisition and Sale of Assets.

(a) Enter into any merger, consolidation, amalgamation or other reorganization with or into any other Person or acquire all or a substantial portion of the assets or Equity Interests of any Person or permit any other Person to consolidate with, merge with or amalgamate with it, except (i) any Credit Party may merge, consolidate, amalgamate or reorganize with another Credit Party or acquire the assets or Equity Interest of another Credit Party so long as (x) if any Borrower is a party to such transaction, such Borrower shall survive such transaction, and (y) such Credit Party provides Agent with ten (10) days prior written notice of such merger, consolidation, amalgamation or reorganization and delivers all of the relevant documents evidencing such merger, consolidation or reorganization, (ii) any Credit Party may, with at least ten (10) days prior written notice to Agent (or such lesser period as Agent may agree to in its Permitted Discretion), dissolve, liquidate, or wind up its affairs if it owns no material assets, engages in no business, and otherwise has no activities other than activities related to the maintenance of its existence and good standing, and (iii) to consummate Permitted Acquisitions.

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets with an aggregate value (as to all Credit Parties and their Subsidiaries) in excess of $2,000,000 in the aggregate in any four fiscal quarter period, except (i) (A) the disposition of Inventory in the Ordinary Course of Business and any Permitted Exchange of Rental Fleet Inventory and (B) the

disposition or transfer of obsolete, worn-out or damaged Inventory and equipment in the Ordinary Course of Business, (ii) any other sales or dispositions expressly permitted by this Agreement, (iii) sales, leases, transfers or other dispositions to another Credit Party subject to Section 7.10 hereof, (iv) sales, leases, transfers or other dispositions pursuant to any casualty loss or the taking under power of eminent domain or similar proceeding, (v) sales or other dispositions of Receivables pursuant to Permitted Factoring Arrangements, and (vi) sales, leases, transfers or other dispositions of properties or assets acquired in connection with a Permitted Acquisition which properties or assets are not necessary to the Business.

7.2 Creation of Liens; Negative Pledge. Create or suffer to exist any Lien or transfer upon or against any of its property or assets now owned or hereafter created or acquired, except Permitted Encumbrances.

7.3 Guarantees. Become liable upon the obligations or liabilities of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to Lenders) except (a) as disclosed on Schedule 7.3, (b) guarantees made in the Ordinary Course of Business up to an aggregate amount of $1,000,000, (c) guarantees by one or more Credit Party(ies) of the Indebtedness or obligations of any other Credit Party(ies) to the extent such Indebtedness or obligations are permitted to be incurred and/or outstanding pursuant to the provisions of this Agreement, (d) guarantees constituting Permitted Investments and (e) the endorsement of checks in the Ordinary Course of Business.

7.4 Investments. Purchase or acquire obligations or Equity Interests of, or any other interest in, any Person, other than Permitted Investments.

7.5 Loans. Make advances, loans or extensions of credit to any Person, including any Subsidiary or Affiliate other than Permitted Loans or other Permitted Investments and guarantees thereof permitted by Section 7.3.

7.6 Reserved.

7.7 Dividends and Distributions. Declare, pay or make any dividend or distribution on any Equity Interests of any Credit Party (other than dividends or distributions payable in its stock (other than Disqualified Equity Interests), or split-ups or reclassifications of its stock (other than Disqualified Equity Interests)) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any Equity Interest, or of any options to purchase or acquire any Equity Interest of any Credit Party, in each case, other than Permitted Distributions. For greater certainty, it is hereby understood and agreed by the parties hereto that the Borrowers shall not directly or indirectly, declare, pay or make any dividend or distribution on any Disqualified Equity Interests of any Borrower.

7.8 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness other than Permitted Indebtedness.

7.9 Nature of Business. Substantially change the nature of the business.

7.10 Transactions with Affiliates. Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise enter into any transaction or deal with, any Affiliate (other than transactions among Credit Parties), except (a) transactions on an arm's-length basis on terms and conditions not materially less favorable than terms and conditions, when taken as a whole, which would have been obtainable from a Person other than an Affiliate; (b) the payment of customary and reasonable directors' and observers' fees to directors and observers' who are not employees of a Credit Party or any Affiliate of a Credit Party as well as the payment of their reasonable out-of-pocket expenses incurred in performing their directorial duties and the payment of indemnities owing to them as directors; (c) transactions among Credit Parties not otherwise prohibited under this Agreement; (d) employment agreements and other compensation arrangements with officers or other employees of any Credit Party, entered into in the Ordinary Course of Business; (e) the payment to the "Manager" (as defined in the Management Services Agreement) of any Management Fees and other fees, expenses and indemnities payable under the Management Agreement, to the extent permitted under the terms of the Management Fee Subordination Agreement; (f) reasonable and documented closing fees payable to Sponsor in connection with any Permitted Acquisition; (g) loans to employees and directors permitted pursuant to Section 7.5; (h) dividends and distributions permitted by Section 7.7; (i) real estate lease transactions among any Affiliate, in each case, on an arm's-length basis on terms and conditions no less favorable than terms and conditions which would have been obtainable from a Person other than an Affiliate or such terms and conditions contained in existing lease agreements; (j) transactions existing on the Restatement Date and described on Schedule 7.10; (k) Permitted Investments; and (l) transactions contemplated by the Domino Repurchase Agreement.

7.11 Subsidiaries.

(a) Form or acquire any Subsidiary unless (x) such Subsidiary is an Immaterial Foreign Subsidiary or (y) promptly after formation thereof (i) if such Subsidiary is a Domestic Subsidiary, such Domestic Subsidiary expressly joins in this Agreement as a "Borrower" or at Borrowing Agent's option, as a "Guarantor", and in either case, becomes jointly and severally liable for the Obligations hereunder, under the Notes, and under any Other Document, (ii) if such Subsidiary is a Foreign Subsidiary incorporated in Canada, such Foreign Subsidiary expressly joins in this Agreement and the Other Documents as a "Canadian Borrower" or at Borrowing Agent's option, as a "Guarantor", and in either case, becomes jointly and severally liable for the Obligations hereunder, under the Notes, and under any Other Document, or (iii) if such Subsidiary is a Material Foreign Subsidiary, such Material Foreign Subsidiary expressly joins in this Agreement as a "Borrower" or at Borrowing Agent's option, as a "Guarantor", and in either case, becomes jointly and severally liable for the Obligations hereunder, under the Notes, and under any Other Document and, in the case of clause (y), Agent shall have received all documents, supplements, amendments and agreements, including, without limitation, legal opinions, appraisals, certificate of beneficial ownership and other additional "know your client" information, it may require in its Permitted Discretion in connection therewith. Notwithstanding the foregoing on anything herein or in any Other Document, if a material adverse tax consequence would result from any Credit Party being jointly and severally liable for the Obligations of any Credit Party formed under the laws of the United States of America or any state thereof, then such Credit Party shall be deemed to only secure and guaranty the Obligations directly incurred by it, and any payment made by such Credit Party to Agent shall only be applied to the Obligations directly incurred by such Credit Party.

(b) Enter into any partnership, joint venture or similar arrangement.

7.12 Fiscal Year and Accounting Changes. Not change its fiscal year, other than to convert any Subsidiary to a fiscal year ending on December 31 or make any significant change in accounting treatment and reporting practices except as required or permitted by GAAP.

7.13 Pledge of Credit. Now or hereafter pledge Agent's or any Lender's credit on any purchases, commitments or contracts or for any purpose whatsoever or use any portion of any Advance in or for any business other than such Credit Party's business operations as conducted on the Restatement Date (and as permitted to be conducted under Section 5.19).

7.14 Amendment of Organizational Documents. (i) Change its legal name, (ii) change its form of legal entity (e.g., converting from a corporation to a limited liability company or vice versa), (iii) change its jurisdiction of organization or become organized in more than one jurisdiction (except as organized by a certificate of foreign qualification), or (iv) with respect to any Credit Party organized under the laws of Canada or any province thereof, change the address of its chief executive office or its registered address, in any such case without (x) giving at least ten (10) days prior written notice of such intended change to Agent, and (y) having received from Agent confirmation that Agent has taken all steps necessary for Agent to continue the perfection of and protect the enforceability and priority of its Liens in the Collateral belonging to such Credit Party and in the Equity Interests of such Credit Party.

7.15 Compliance with ERISA. Except for matters that would not reasonably be expected to have a Material Adverse Effect, (i) (x) maintain, or permit any of their Subsidiaries to maintain, or (y) become obligated to contribute, or permit any of their Subsidiaries to become obligated to contribute, to any Pension Benefit Plan or Multiemployer Plan, other than those Pension Benefit Plans or Multiemployer Plans disclosed on Schedule 5.8(d), (ii) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA or Section 4975 of the Code, (iii) terminate, or permit any member of the Controlled Group to terminate, any Pension Benefit Plan where such event could result in any liability of any Credit Party or any member of the Controlled Group or the imposition of a lien on the property of any Credit Party or any member of the Controlled Group pursuant to Section 4068 of ERISA, (iv) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan; (v) fail to comply, or permit a member of the Controlled Group to fail to comply, with the requirements of ERISA or the Code or other Applicable Laws in respect of any Plan, or (vi) fail to meet, permit any member of the Controlled Group to fail to meet, or permit any Pension Benefit Plan to fail to meet all minimum funding requirements under ERISA and the Code, without regard to any waivers or variances, or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any Pension Benefit Plan. No Credit Party shall (i) permit its unfunded pension fund obligations and liabilities under any Canadian Pension Plan to remain unfunded other than in accordance with Applicable Law; or (ii) maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Specified Canadian Pension Plan, or acquire an interest in any Person if such Person sponsors, administers, contributes to, participates in or has any liability in respect of, any Specified Canadian Pension Plan.

For each existing, or hereafter adopted, Canadian Benefit Plan, each Credit Party shall in a timely fashion comply with and perform in all material respects all of its obligations under and in respect of such Canadian Benefit Plan and all Applicable Laws (including any fiduciary, funding, investment and administration obligations). All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Canadian Benefit Plan shall be paid or remitted by each Credit Party in a timely fashion in accordance with the terms thereof, any funding agreements and all Applicable Laws.

7.16 [Reserved].

7.17 Prepayment of Indebtedness. At any time, directly or indirectly, prepay any Indebtedness (other than to Lenders), or repurchase, redeem, retire or otherwise acquire any Indebtedness of any Credit Party, except (i) [reserved], (ii) any Indebtedness set forth on Schedule 7.8 (and any Permitted Refinancing thereof), (iii) intercompany Indebtedness permitted hereunder, and (iv) Indebtedness in respect of Hedging Obligations.

7.18 Membership / Partnership Interests. Designate or permit any of their Subsidiaries to (a) treat their limited liability company membership interests or partnership interests, as the case may be, as securities as contemplated by the definition of "security" in Section 8-102(15) and by Section 8-103 of Article 8 of the Uniform Commercial Code or (b) certificate their limited liability membership interests or partnership interests, as applicable, unless such certificates are delivered to Agent.

7.19 Activities of Parent and Holdings. Solely with respect to Parent and Holdings, (a) conduct any business other than (i) its ownership, directly or indirectly, of equity securities or other Equity Interests of Borrowers or any other of its Subsidiaries, as applicable, (ii) activities incidental or related thereto or necessary to maintain its corporate existence, (iii) other ministerial administrative activities, (iv) declaring and paying dividends and making distributions and Investments to the extent not prohibited by this Agreement, (v) solely with respect to Holdings, performing its obligations and enforcing its rights under the Domino Repurchase Agreement, including the purchase of any life insurance policy established in connection therewith, the receipt of proceeds from any such policy and the repurchase of Equity Interests (solely from the proceeds of such life insurance policy) pursuant to the Domino Repurchase Agreement, (vi) solely with respect to Parent, obligations and activities contemplated in any Permitted Acquisition Document, and (vii) solely with respect to Holdings, obligations and activities contemplated by the ROC Merger Agreement or (b) incur any Indebtedness or material liabilities other than obligations with respect to tax liabilities and administrative expenses arising in the Ordinary Course of Business, the ROC Merger Agreement or any Permitted Acquisition, liabilities incidental to the conduct of its business as a holding company, intercompany Indebtedness and Indebtedness and liabilities pursuant to this Agreement, the Other Documents and other Indebtedness and liabilities specifically permitted hereunder.

VIII. CONDITIONS PRECEDENT.

8.1 Conditions to Initial Advances. The effectiveness of this Agreement and the agreement of Lenders to make the initial Advances hereunder following the Restatement Date is subject to the satisfaction, or waiver by Agent, immediately prior to or concurrently with the making of such Advances, of the following conditions precedent (except to the extent specifically subject to Section 6.14):

(a) Notes. Agent shall have received the Notes that have been duly executed and delivered by an Authorized Officer of each Borrower;

(b) Other Documents. Agent shall have received each of the executed Other Documents, as applicable;

(c) Management Fee Subordination Agreement. Agent and the other parties thereto shall have entered into the Management Fee Subordination Agreement;

(d) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code or PPSA financing statement) required by this Agreement, any related agreement or under law or requested by Agent in its Permitted Discretion to be filed, registered or recorded in order to create, in favor of Agent, a perfected security interest in or lien upon the Collateral (except as provided in Section 4.2) shall have been, or shall be concurrently with the initial Advances hereunder, properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested;

(e) [Reserved].

(f) [Reserved].

(g) Financial Condition Certificates. Agent shall have received an executed Financial Condition Certificate in the form of Exhibit 8.1(f).

(h) Closing Certificate. Agent shall have received a closing certificate signed by the Chief Financial Officer (or other Authorized Officer) of Borrowing Agent dated as of the date hereof, stating that (i) all representations and warranties set forth in this Agreement and the Other Documents are true and correct in all material respects (or in all respects, if already qualified by materiality) on and as of such date (or as of such earlier date, to the extent relating to an earlier date), (ii) on such date no Default or Event of Default has occurred or is continuing, and (iii) substantially concurrently with the effectiveness of this Agreement, Section 8.1(x) hereof shall have been satisfied;

(i) Borrowing Base. Agent shall have received evidence from Borrowers that the aggregate amount of Eligible Receivables, Eligible Unbilled Receivables, Eligible Inventory and Eligible Rental Fleet Inventory is sufficient in value and amount to support the outstanding Advances hereunder, after giving effect to the funding of any Advances requested to be made on the Restatement Date;

(j) Proceedings of the Credit Parties. Agent shall have received a copy of the resolutions in form and substance satisfactory to Agent in its Permitted Discretion, of the Board of Directors, Management Committee, Managing Member or Manager, as applicable, of each Credit Party authorizing (i) the execution, delivery and performance of this Agreement and any Other Document, in each case, to which it is a party (collectively the "Documents") and (ii) the granting by each Credit Party of the security interests in and liens upon the Collateral in each case certified by an Authorized Officer of each Credit Party as of the Restatement Date; and, such certificate shall state that the resolutions thereby certified have not been amended, modified, revoked, superseded or rescinded as of the date of such certificate;

(k) Incumbency Certificates of Credit Parties. Agent shall have received a certificate of an Authorized Officer of each Credit Party, dated the Restatement Date, as to the incumbency and signature of the officers of each Credit Party, as applicable, executing this Agreement, the Other Documents, any certificate or other documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Authorized Officer;

(l) Certificates. Agent shall have received a copy of the Organizational Documents of each Credit Party, and all amendments thereto, certified by the Secretary of State or other appropriate official of its jurisdiction of incorporation or formation (to the extent such certification is available in such jurisdiction), as applicable, together with copies of all agreements of each Credit Party's shareholders or members, as applicable, certified as accurate and complete by an Authorized Officer of each Credit Party;

(m) Good Standing Certificates. Agent shall have received good standing certificates (or the equivalent thereto) for each Credit Party dated not more than thirty (30) days prior to the Restatement Date, issued by the Secretary of State or other appropriate official of (i) each Credit Party's jurisdiction of incorporation or formation, as applicable, and (ii) each jurisdiction where the conduct of each Credit Party's business activities or the ownership of its properties necessitates qualification to the extent that the failure to obtain such qualification would result in a Material Adverse Effect;

(n) Legal Opinion. Agent shall have received the executed legal opinion of Bracewell LLP in form and substance satisfactory to Agent in its Permitted Discretion which shall cover such matters incident to the transactions contemplated by this Agreement and the Other Documents as is customary and each Credit Party hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(o) No Litigation. (i) No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened against any Credit Party or against the officers or directors of any Credit Party in connection with this Agreement, the Other Documents or any of the transactions contemplated thereby that could reasonably be expected to have a Material Adverse Effect; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Credit Party or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any Governmental Body;

(p) Fees. Agent shall have received all fees payable to Agent and Lenders on or prior to the Restatement Date hereunder;

(q) Pro Forma Financial Statements. Agent shall have received a copy of the Pro Forma Financial Statements which shall be satisfactory in all respects to Lenders in their Permitted Discretion;

(r) Insurance. Agent shall have received in form and substance satisfactory to Agent, (i) copies of the Credit Parties' casualty insurance policies, together with loss payable endorsements of loss payee endorsement naming Agent as lender loss payee/first loss payee (as applicable) and (ii) copies of the Credit Parties' liability insurance policies, together with endorsements naming Agent as an additional insured;

(s) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement and the Other Documents;

(t) No Adverse Material Change. Since December 31, 2022, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have a Material Adverse Effect;

(u) Reserved;

(v) Compliance with Laws. Agent shall be satisfied in its Permitted Discretion that each Credit Party is in compliance in all material respects with all applicable federal, state, local or territorial regulations, including those with respect to the Federal Occupational Safety and Health Act, the Environmental Protection Act, ERISA, Canadian Pension Plans and the Anti-Terrorism Laws including Canadian "AML Legislation", except where the failure to comply would not reasonably be expected to result in a Material Adverse Effect;

(w) Reserved;

(x) ROC Merger. Agent shall have received evidence that (i) the transactions contemplated by the ROC Merger Agreement are consummated substantially concurrently with the effectiveness of this Agreement in accordance with the terms thereof (without any waivers to any conditions or provisions thereof that would be adverse to the Lenders (it being understood that any waiver that reduces the amount of gross cash proceeds to be received by the Credit Parties to an amount that satisfies clause (ii) below shall not be deemed adverse to the Lenders)), and (ii) the Credit Parties have received gross cash proceeds (before deducting any related costs and expenses) in connection with the consummation of such transaction in an amount not less than the sum of (A) the aggregate principal amount of the Revolving Advances on the Restatement Date (without giving effect to, if applicable, any prepayment of the Revolving Advances with such gross cash proceeds) plus (B) the Specified ROC Merger Costs;

(y) Certificate of Beneficial Ownership; USA Patriot Act Diligence. Agent and each Lender shall have received, in form and substance acceptable to Agent and each Lender an executed Certificate of Beneficial Ownership and such other documentation and other information requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act;

(z) Legal and Capital Structure; Diligence. The final legal and capital structure of the Credit Parties shall be acceptable to Agent and Agent shall have completed all other required diligence of the Credit Parties, the results of which are satisfactory to Agent; and

(aa) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the Transactions shall be satisfactory in form and substance to Agent and its counsel.

8.2 Conditions to Each Advance. The agreement of Lenders to make any Advance requested to be made on any date, is subject to the satisfaction of the following conditions precedent as of the date such Advance is made:

(a) Representations and Warranties. Each of the representations and warranties made by any Credit Party in or pursuant to this Agreement and the Other Documents to which it is a party shall be true and correct in all material respects (or in all respects, if already qualified by materiality in such specific provision) on and as of such date as if made on and as of such date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (or in all respects, if already qualified by materiality in such specific provision) on and as of such earlier date;

(b) No Default or Material Adverse Effect. No Event of Default, Default or Material Adverse Effect shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made, on such date; ***provided***, ***however***, that Agent, in its sole discretion, may continue to make Advances notwithstanding the existence of an Event of Default, Default or Material Adverse Effect and that any Advances so made shall not be deemed a waiver of any such Event of Default or Default; and

(c) Maximum Advances. In the case of any type of Advance requested to be made, after giving effect thereto, the aggregate amount of such type of Advance shall not exceed the maximum amount of such type of Advance permitted under this Agreement.

Each request for an Advance by any Borrower hereunder shall constitute a representation and warranty by each Borrower as of the date of such Advance that the conditions contained in this subsection shall have been satisfied.

IX. INFORMATION AS TO CREDIT PARTIES.

Each Credit Party shall, or (except with respect to Section 9.11) shall cause Borrowing Agent on its behalf to, until satisfaction in full of the Obligations (other than contingent obligations for which no claim has been made) and the termination of this Agreement:

9.1 Disclosure of Material Matters. Promptly upon learning thereof, report to Agent all matters materially affecting the value, enforceability or collectability of any material portion of the Collateral, including any Credit Party's reclamation or repossession of, or the return to any Credit Party of, a material amount of goods or claims or disputes asserted by any Customer or other obligor or any Lien, other than any Permitted Encumbrance, placed upon or asserted against any Credit Party or any such Collateral.

9.2 Schedules. Deliver to Agent (i) on or before the twentieth (20th) (or later date in the Agent's Permitted Discretion) day of each month as and for the prior month (a) accounts receivable ageings inclusive of reconciliations to the general ledger, (b) an account rollforward with supporting detail, (c) accounts payable schedules inclusive of reconciliations to the general ledger, (d) detailed Inventory perpetual in electronic format including non-moving and slow-moving inventory, and (e) a Borrowing Base Certificate for Borrowers in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior month and which

shall not be binding upon Agent or restrictive of Agent's rights under this Agreement), and (ii) (x) during a Cash Dominion Period, and (y) upon Agent's request, in each case, on or before Tuesday of each week, (a) sales reports including, without limitation, sales journals and credit listings, (b) the cash receipt journal, (c) a report of the unbilled accounts receivable balance, (d) an account rollforward including the balance of the Eligible Receivables containing sales journals, invoices and credits in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior week and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement), and (e) an account rollforward including the balance of the Eligible Unbilled Receivables containing sales journals, invoices and credits in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior week and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement). In addition, each Borrower will deliver to Agent upon Agent's request: (i) confirmatory assignment schedules; (ii) copies of Customer's invoices; (iii) evidence of shipment or delivery; and (iv) such further schedules, documents and/or information regarding the Collateral as Agent may reasonably require including trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder. The items to be provided under this Section are to be in form satisfactory to Agent and executed by Borrowing Agent and delivered to Agent from time to time solely for Agent's convenience in maintaining records of the Collateral, and any Credit Party's failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral. Unless otherwise agreed to by Agent, the items to be provided under this Section 9.2 shall be delivered to Agent by the specific method of Approved Electronic Communication designated by Agent.

9.3 Environmental Reports.

(a) Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7, 9.8 and 9.9, with a certificate signed by an Authorized Officer of Borrowing Agent stating, to the best of his knowledge, that each Credit Party is in compliance in all material respects with all applicable Environmental Laws. To the extent any Credit Party is not in compliance with the foregoing laws, the certificate shall set forth with specificity all areas of non-compliance and the proposed action such Credit Party will implement in order to achieve full compliance.

(b) In the event any Credit Party obtains, gives or receives notice of any Release or threat of Release of a reportable quantity of any Hazardous Materials at the Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at the Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Real Property or any Credit Party's interest therein or the operations or the business (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any Governmental Body that could reasonably be expected to have a Material Adverse Effect, then Borrowing Agent shall, within five (5) Business Days, give written notice of same to Agent detailing facts and circumstances of which any Credit Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its security interest in and Lien on the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

9.4 Litigation. Promptly notify Agent in writing of any claim, litigation, suit or administrative proceeding affecting any Credit Party, whether or not the claim is covered by insurance, which could reasonably be expected to have a Material Adverse Effect.

9.5 Material Occurrences. Notify Agent in writing upon the occurrence of: (a) any Event of Default or Default; (b) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied, the financial condition or operating results of any Credit Party as of the date of such statements; (c) each and every default by any Credit Party which might result in the acceleration of the maturity of any Indebtedness, the acceleration of which would constitute an Event of Default hereunder; (d) any other development in the business or affairs of any Borrower or any Guarantor, which could reasonably be expected to have a Material Adverse Effect; and (e) any event which with the giving of notice or lapse of time, or both, would constitute an event of default under any Permitted Acquisition Document; in each case describing the nature thereof and the action the Credit Parties propose to take with respect thereto.

9.6 [Reserved].

9.7 Annual Financial Statements. Furnish Agent and Lenders within ninety (90) days after the end of each fiscal year of Parent (or such longer period that gives effect to any extension for the filing of the Parent's Form 10-K with the SEC), financial statements of the Credit Parties on a Consolidated Basis including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without a going-concern qualification or qualification as to scope by an independent certified public accounting firm selected by the Credit Parties and satisfactory to Agent (the "Accountants"); provided, the filing of any publicly available report by Parent with the SEC containing the information required pursuant to the foregoing shall be deemed to satisfy the furnishing of such information to Agent and the Lenders. The report of the Accountants shall be accompanied by a statement of the Accountants certifying that (i) they have caused this Agreement to be reviewed, (ii) in making the examination upon which such report was based either no information came to their attention which to their knowledge constituted an Event of Default or a Default under this Agreement or any related agreement or, if such information came to their attention, specifying any such Default or Event of Default, its nature, when it occurred and whether it is continuing. Each such report shall be accompanied by a Compliance Certificate.

9.8 Quarterly Financial Statements. Furnish Agent and Lenders within forty five (45) days after the end of each fiscal quarter of Parent (or such longer period that gives effect to any extension for the filing of the Parent's Form 10-Q with the SEC), an unaudited balance sheet of the Credit Parties on a Consolidated Basis and unaudited statements of income and stockholders' equity and cash flow of the Credit Parties on a Consolidated Basis reflecting results of operations from the beginning of the fiscal year to the end of such fiscal quarter and for such fiscal quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects,

subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to the Credit Parties' business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year, as applicable; provided, the filing of any publicly available report by Parent with the SEC containing the information required pursuant to the foregoing shall be deemed to satisfy the furnishing of such information to Agent and the Lenders. Each such report shall be accompanied by a Compliance Certificate.

9.9 Monthly Financial Statements. Furnish Agent and Lenders within forty five (45) days after the end of each month (other than each March, June, September, and December), an unaudited balance sheet of the Credit Parties on a Consolidated Basis and unaudited statements of income and stockholders' equity and cash flow of the Credit Parties on a Consolidated Basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to the Credit Parties' business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year, as applicable.

9.10 Other Reports. At Agent's request, furnish Agent as soon as available, but in any event within ten (10) days after the issuance thereof, with (i) copies of such financial statements, reports and returns as each Credit Party shall send to its stockholders as such, and (ii) copies of all material written notices, reports, financial statements and other materials sent by any Credit Party pursuant to the ROC Merger Agreement; provided, the filing of any publicly available report by Parent with the SEC containing the information required pursuant to the foregoing shall be deemed to satisfy the furnishing of such information to Agent.

9.11 Additional Information. Furnish Agent with such additional information as Agent shall request in its Permitted Discretion in order to enable Agent to determine whether the terms, covenants, provisions and conditions of this Agreement and the Notes have been complied with by the Credit Parties including, (a) at least fifteen (15) days prior thereto (or such shorter period approved by Agent in writing), notice of any Credit Party's opening of any new executive office or place of business where collateral will be located or (other than a consolidation with existing offices) any Credit Party's closing of any existing executive office, and (b) promptly upon any Credit Party's learning thereof, notice of any material labor dispute to which any Credit Party may become a party, any strikes or walkouts relating to any of its plants or other facilities, and the expiration of any labor contract to which any Credit Party is a party or by which any Credit Party is bound, in each case in clause (b), which could reasonably be expected to have a Material Adverse Effect.

9.12 Projected Operating Budget. Furnish Agent, no later than thirty (30) days after the beginning of each fiscal year, financial projections for the Credit Parties on a Consolidated Basis for such fiscal year (including monthly operating and cash flow budgets for such fiscal year) prepared in a manner consistent with the projections delivered by Holdings to Agent prior to the Restatement Date or otherwise in a manner satisfactory to Agent in its Permitted Discretion, accompanied by a certificate of the chief financial officer or other senior executive officer of Parent to the effect that such projections were prepared by Parent in good faith on the basis of assumptions believed by Parent to be reasonable at the time prepared (it being understood that projections are subject to significant uncertainties and contingencies, many of which are beyond Parent's control, that no assurance can be given that such projections will be realized and that actual results may differ from results forecast in any projections and such differences may be material).

9.13 Variances From Operating Budget. At Agent's request, furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7 and 9.8, a written report summarizing all material variances from budgets submitted by the Credit Parties pursuant to Section 9.12 and a discussion and analysis by management with respect to such variances.

9.14 Notice of Suits, Adverse Events. Furnish Agent with prompt written notice of (i) any lapse or other termination of any Consent issued to any Credit Party by any Governmental Body or any other Person that is material to the operation of any Credit Party's business, (ii) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; and (iii) copies of any periodic or special reports filed by any Borrower or any Guarantor with any Governmental Body or Person, if such reports indicate any material change in the business, operations, affairs or condition of any Borrower or any Guarantor, or if copies thereof are requested by Lender, and (iv) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Borrower or any Guarantor.

9.15 [Reserved].

9.16 ERISA Notices and Requests. Furnish Agent with prompt written notice in the event that any Credit Party or Subsidiary of any Credit Party knows (but solely to the extent such event or occurrence is reasonably expected to have a Material Adverse Effect) that (i) a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which such Credit Party or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or PBGC with respect thereto, together with copies of each notice therefrom, (ii) a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) with respect to a Plan has occurred together with a written statement describing such transaction and the action which such Credit Party or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any Pension Benefit Plan, together with all communications received by any Credit Party or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing Plan or the establishment of any new Plan or the commencement of contributions to any Plan to which any Credit Party or any member of the Controlled Group was not previously contributing shall occur and is reasonably expected to have a Material Adverse Effect, (v) any Credit Party or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Plan or to have a trustee appointed to administer a Plan, together with copies of each such notice, (vi) any Credit Party or any member of the Controlled Group shall receive any unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter; (vii) any Credit Party or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (viii) any Credit Party or any member of the Controlled Group shall fail to

make a required installment or any other required payment under the Code or ERISA on or before the due date for such installment or payment; or (ix) (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, (c) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan or (d) a Multiemployer Plan is subject to Section 432 of the Code or Section 305 of ERISA. Promptly after any Credit Party or any Subsidiary or any Affiliate knows of the occurrence of (i) any violation or asserted violation of any Applicable Law (including any applicable provincial pension benefits legislation) in any material respect with respect to any Canadian Pension Plan; or (ii) any Canadian Pension Termination Event, the applicable Credit Party will deliver to the Agent a certificate of a senior officer of the applicable Credit Party setting forth details as to such occurrence and the action, if any, that such Credit Party, such Subsidiary or Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by such Credit Party, such Subsidiary, such Affiliate, FSRA, a Canadian Pension Plan participant (other than notices relating to an individual participant's benefits) or the Canadian Pension Plan administrator with respect thereto.

9.17 [Reserved].

9.18 Updates to Certain Schedules. Deliver to Agent promptly as shall be required to maintain the related representations and warranties as true and correct, updates to Schedule 4.4 (Locations of equipment and Inventory), Schedule 4.8(h) (Deposit Accounts, Investment Accounts, and Other Bank Accounts), Schedule 5.4 (Tax ID Numbers), Schedule 5.9 (Intellectual Property), Schedule 5.22 (Equity Interests), Schedule 5.23 (Commercial Tort Claims), and Schedule 5.24 (Letter-of-Credit Rights); provided, that absent the occurrence and continuance of any Event of Default, the Credit Parties shall only be required to provide such updates on a quarterly basis in connection with delivery of a Compliance Certificate with respect to the applicable month. For the avoidance of doubt, each representation and warranty (or portion thereof) referencing any Schedule set forth in the foregoing sentence shall be deemed to be true and correct with respect to the information set forth in such Schedule so long as such representation and warranty (or portion thereof) referencing such Schedule was true and correct as of the date of delivery of the most recent Compliance Certificate. Any such updated Schedules delivered by the Credit Parties to Agent in accordance with this Section 9.18 shall automatically and immediately be deemed to amend and restate the prior version of such Schedule previously delivered to Agent and attached to and made part of this Agreement.

9.19 Financial Disclosure. Each Credit Party hereby irrevocably authorizes and directs all accountants and auditors employed by such Credit Party at any time during the Term to exhibit and deliver to Agent and each Lender copies of any of such Credit Party's financial statements, trial balances or other accounting records of any sort in the accountant's or auditor's possession, and to disclose to Agent and each Lender any information such accountants may have concerning such Credit Party's financial status and business operations, subject to the terms and conditions of Section 17.15.

X. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

10.1 Nonpayment. Failure by any Credit Party to pay any principal or interest on the Obligations when due, whether at maturity or by reason of acceleration pursuant to the terms of this Agreement or by notice of intention to prepay, or by required prepayment or failure to pay when due any other liabilities or make any other payment, fee or charge provided for herein when due or in any Other Document;

10.2 Breach of Representation. Any representation or warranty made by any Credit Party herein or any Other Document is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by any Credit Party to Agent or any Lender in connection herewith is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified;

10.3 Financial Information. Failure by any Credit Party to (i) furnish financial information when due under Section 9.2, 9.3, 9.7, 9.8, 9.9 or 9.12 or, in the case no date is specified herein or when otherwise requested, if unreasonably withheld, or (ii) permit the inspection of its books or records in accordance with this Agreement;

10.4 Judicial Actions. Issuance of any Lien, levy, assessment, injunction or attachment against any Credit Party's Inventory or Receivables with a value in excess of $1,000,000, in each case, which is not stayed or lifted within thirty (30) days;

10.5 Noncompliance. Except as otherwise provided for in Sections 10.1, 10.3 and 10.5(ii), (i) failure or neglect of any Borrower, any Guarantor or any Person to perform, keep or observe any term, provision, condition, covenant herein contained, or contained in any Other Document or any other agreement or arrangement, now or hereafter entered into between any Borrower, any Guarantor or such Person, and Agent or any Lender, or (ii) failure or neglect of any Credit Party to perform, keep or observe any term, provision, condition or covenant, contained in Section 4.5, 6.1, 6.2(a), 6.3, 6.9, 6.10, 6.11, 6.12, 6.17 or 9.4 hereof which is not cured within twenty (20) days from the occurrence of such failure or neglect;

10.6 Judgments. Any judgment or judgments are rendered against any Credit Party for an aggregate amount in excess of $1,000,000 or against all Credit Parties for an aggregate amount in excess of $1,000,000 (to the extent not covered by independent third party insurance in compliance with the requirements of Section 4.11 hereof) and (i) enforcement proceedings shall have been commenced by a creditor upon such judgment, (ii) there shall be any period of forty-five (45) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, shall not be in effect, or (iii) any such judgment results in the creation of a Lien upon any of the Collateral (other than a Permitted Encumbrance);

10.7 Bankruptcy.

(a) Any Credit Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay, debts as they become due; or

(b) Any Credit Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver, receiver and manager, monitor or other custodian for such Credit Party or any property thereof, or makes a general assignment for the benefit of creditors; or in the absence of such application, consent or acquiescence, a trustee, receiver, monitor, receiver and manager or

other custodian is appointed for any Credit Party or for a substantial part of the property of any thereof and is not stayed or discharged within 60 days; or any Insolvency Event occurs or any other bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Credit Party, and if such case or proceeding is not commenced by such Credit Party, it is consented to or acquiesced in by such Credit Party, or is not immediately stayed and remains for 60 days undismissed; or any Credit Party takes any action to authorize, or in furtherance of, any of the foregoing;

10.8 [Reserved].

10.9 Material Adverse Effect. Any change in Borrowers' and Guarantors' (taken as a whole) results of operations or financial condition which has a Material Adverse Effect solely with respect to clause (b) of the definition thereof;

10.10 Lien Priority. Any Lien created hereunder or provided for hereby or under any related agreement for any reason ceases to be or is not a valid and perfected Lien having a first priority interest (subject only to Permitted Encumbrances that have priority as a matter of Applicable Law to the extent such Liens, if choate, only attach to Collateral other than Receivables or Inventory);

10.11 Cross Default. Any default (after giving effect to any applicable grace or cure periods) shall occur under the terms applicable to any other Indebtedness of any Credit Party in an aggregate amount (for all such Debt so affected and including undrawn committed or available amounts and amounts owing to all creditors under any combined or syndicated credit arrangement) exceeding $1,000,000 and such default shall (i) consist of the failure to pay such Indebtedness when due (after giving effect to any applicable grace or cure period), whether by acceleration or otherwise, or (ii) accelerate the maturity of such Indebtedness or permit the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such Indebtedness to become due and payable (or require any Borrower or any other Credit Party to purchase or redeem such Indebtedness or post cash collateral in respect thereof) prior to its expressed maturity;

10.12 Breach of Guaranty or Pledge Agreement. Termination or breach of any Guaranty, Guarantor Security Agreement, Pledge Agreement or similar agreement executed and delivered to Agent in connection with the Obligations of any Borrower, or if any Guarantor or pledgor attempts to terminate, challenges the validity of, or its liability under, any such Guaranty, Guarantor Security Agreement, Pledge Agreement or similar agreement;

10.13 Change of Control. Any Change of Control shall occur;

10.14 Invalidity of Collateral Documents. Any Collateral Document shall cease to be in full force and effect except in accordance with the terms thereof; or any Credit Party (or any Person by, through or on behalf of any Credit Party) shall contest in any manner the validity, binding nature or enforceability of any Collateral Document;

10.15 Seizures. Any (a) portion of the Collateral shall be seized, subject to garnishment or taken by a Governmental Body, or any Borrower or any Guarantor, or (b) of the title and rights of any Borrower or any Guarantor which is the owner of any material portion of the Collateral shall have become the subject matter of claim, litigation, suit, garnishment or other proceeding which might, in the opinion of Agent, upon final determination, result in impairment or loss of the security provided by this Agreement or the Other Documents;

10.16 Pension Plans. A Canadian Pension Termination Event or breach of any covenant herein with respect to any Canadian Pension Plan or any event or condition specified in Section 6.15, 7.15 or 9.16 hereof shall occur or exist and, as a result of such event or condition, together with all other such events or conditions, any Credit Party or any member of the Controlled Group shall incur a liability to a Plan or the PBGC (or both) which, in the judgment of Agent in its Permitted Discretion, would reasonably be expected to have a Material Adverse Effect.

10.17 Invalidity of Subordination Provisions. Any subordination provision in any document or instrument governing Subordinated Debt or any subordination provision in any subordination agreement that relates to any Subordinated Debt, or any subordination provision in any guaranty by any Credit Party of any Subordinated Debt, shall cease to be in full force and effect, or any Person (including the holder of any applicable Subordinated Debt) shall contest in any manner the validity, binding nature or enforceability of any such provision;

10.18 [Reserved].

10.19 Breach of Subordination Agreement. (a) Termination or breach of (i) the Management Fee Subordination Agreement or (ii) any subordination agreement or provision relating to Subordinated Debt, in each case, by any Credit Party, or (b) if any Credit Party attempts to terminate, challenges the validity of, or its obligations under, (i) the Management Fee Subordination Agreement, or (ii) any subordination agreement or provision relating to Subordinated Debt; or

10.20 Anti-Money Laundering/International Trade Law Compliance. Any representation or warranty contained in Section 17.20 is or becomes false or misleading at any time.

XI. LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT.

11.1 Rights and Remedies.

(a) Upon the occurrence and during the continuance of: (i) an Event of Default pursuant to Section 10.7 all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated; and (ii) any of the other Events of Default and at any time thereafter, at the option of Agent or Required Lenders all Obligations shall be immediately due and payable and Lenders shall have the right to terminate this Agreement, to reduce the Maximum Revolving Advance Amount and to terminate the obligation of Lenders to make Advances. Upon the occurrence and during the continuation of any Event of Default, Agent shall have the right (and shall at the request of the Required Lenders) to exercise any and all rights and remedies provided for herein, under the Other Documents, under the Uniform Commercial Code, PPSA and at law or equity generally, including the right to foreclose the security interests granted herein and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may, during the continuation of any Event of Default, enter any of any Credit Party's premises or other premises without legal process and without incurring liability to

any Credit Party therefor, and Agent may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require the Credit Parties to assemble the Collateral in a commercially reasonable manner and make it available to Agent at a place reasonably convenient to Agent. With or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give the Credit Parties reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Borrowing Agent at least ten (10) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and all such claims, rights and equities are hereby expressly waived and released by each Credit Party. In connection with the exercise of the foregoing remedies, including the sale of Inventory, Agent is granted a perpetual nonrevocable, royalty free, nonexclusive license and Agent is granted permission to use all of each Credit Party's (a) trademarks, trade styles, trade names, patents, patent applications, copyrights, service marks, licenses, franchises and other proprietary rights which are used or useful in connection with Inventory for the purpose of marketing, advertising for sale and selling or otherwise disposing of such Inventory and (b) Equipment for the purpose of completing the manufacture of unfinished goods. The cash proceeds realized from the sale of any Collateral shall be applied to the Obligations in the order set forth in Section 11.5 hereof. Noncash proceeds will only be applied to the Obligations as they are converted into cash. If any deficiency shall arise, Borrowers shall remain liable to Agent and Lenders therefor.

(b) To the extent that Applicable Law imposes duties on Agent to exercise remedies in a commercially reasonable manner, each Credit Party acknowledges and agrees that it is not commercially unreasonable for Agent: (i) to fail to incur expenses deemed significant by Agent in its Permitted Discretion to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition; (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of; (iii) to fail to exercise collection remedies against Customers or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral; (iv) to exercise collection remedies against Customers and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature; (vi) to contact other Persons, whether or not in the same business as any Credit Party, for expressions of interest in acquiring all or any portion of such Collateral; (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature; (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets; (ix) to dispose of assets in wholesale rather than retail markets; (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure Agent against risks of loss, collection or disposition of Collateral or to

provide to Agent a guaranteed return from the collection or disposition of Collateral; or (xii) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Credit Party acknowledges that the purpose of this Section 11.1(b) is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in Agent's exercise of remedies against the Collateral and that other actions or omissions by Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 11.1(b). Without limitation upon the foregoing, nothing contained in this Section 11.1(b) shall be construed to grant any rights to any Credit Party or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by Applicable Law in the absence of this Section 11.1(b).

(c) Without limiting any right or remedy of the Agent in this Agreement, upon the occurrence and during the continuance of any Event of Default, the Agent may by instrument in writing appoint any person as a receiver, an interim receiver, a manager or a receiver and manager of all or any part of the Collateral of the Canadian Borrowers. The Agent may from time to time, while an Event of Default exists, remove or replace such receiver, an interim receiver, manager or a receiver and manager, or make application to any court of competent jurisdiction for the appointment of a receiver. Any receiver, interim receiver, manager or a receiver and manager appointed by the Agent shall (for purposes relating to responsibility for the receiver's acts or omissions) be considered to be the agent of the Canadian Borrowers. The Agent may from time to time fix such receiver's remuneration and the Borrowers shall pay the amount of such remuneration to the Agent. The Agent shall not be liable to the Canadian Borrowers or any other person in connection with appointing or not appointing a receiver, an interim receiver, a manager or a receiver and manager or in connection with the receiver's actions or omissions, except to the extent arising out of the Agent's bad faith, gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

11.2 Agent's Discretion. Agent shall have the right in its sole discretion to determine which rights, Liens, security interests or remedies Agent may at any time pursue, relinquish, subordinate, or modify, which procedures, timing and methodologies to employ, and what any other action to take with respect to any or all of the Collateral and in what order, thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder as against the Credit Parties or each other.

11.3 Setoff. Subject to Section 14.12, in addition to any other rights which Agent or any Lender may have under Applicable Law, upon the occurrence and during the continuance of an Event of Default hereunder, Agent and such Lender shall have a right, immediately and without notice of any kind, to apply any Credit Party's (as applicable), property held by Agent and such Lender or any of their Affiliates to reduce the Obligations and to exercise any and all rights of setoff which may be available to Agent and such Lender with respect to any deposits held by Agent or such Lender. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Agent, although the Agent may enter such setoff on its books and records at a later time.

11.4 Rights and Remedies not Exclusive. The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any rights or remedy shall not
preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

11.5 Allocation of Payments After Event of Default. Notwithstanding any other provisions of this Agreement to the contrary, after the occurrence and during the continuance of an Event of Default, all amounts collected or received by Agent on account of the Obligations (including without limitation any amounts on account of any of Cash Management Liabilities or Hedge Liabilities), or any other amounts outstanding under any of the Other Documents or in respect of the Collateral may, at Agent's discretion, be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of Agent in connection with enforcing its rights and the rights of the Lenders under this Agreement and the Other Documents, and any Out-of-Formula Loans and Protective Advances funded by the Agent with respect to the Collateral under or pursuant to the terms of this Agreement;

SECOND, to payment of any fees owed to Agent;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of each of the Lenders to the extent owing to such Lender pursuant to the terms of this Agreement;

FOURTH, to the payment of all of the Obligations consisting of accrued interest on account of the Swing Loans;

FIFTH, to the payment of the outstanding principal amount of the Obligations consisting of Swing Loans;

SIXTH, to the payment of all Obligations arising under this Agreement and the Other Documents consisting of accrued fees and interest (other than interest in respect of Swing Loans paid pursuant to clause FOURTH above);

SEVENTH, to the payment of the outstanding principal amount of the Obligations (other than principal in respect of Swing Loans paid pursuant to clause FIFTH above) arising under this Agreement (other than Cash Management Liabilities and Hedge Liabilities) (including the payment or cash collateralization of any outstanding Letters of Credit in accordance with Section 2.10(b) hereof).

EIGHTH, to all other Obligations arising under this Agreement (other than Cash Management Liabilities and Hedge Liabilities) which shall have become due and payable (hereunder, under the Other Documents or otherwise) and not repaid pursuant to clauses "FIRST" through "FIFTH" above;

NINTH, to any Cash Management Liabilities and Hedge Liabilities which shall have become due and payable or otherwise and not repaid pursuant to Clauses "FIRST" through "SIXTH" above; and

TENTH, to all other Obligations which shall have become due and payable and not repaid pursuant to clauses “FIRST” through “SEVENTH”; and

ELEVENTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; (ii) each of the Lenders shall receive (so long as it is not a Defaulting Lender) an amount equal to its pro rata share (based on the proportion that the then outstanding Advances held by such Lender bears to the aggregate then outstanding Advances) of amounts available to be applied pursuant to clauses “FOURTH”, “FIFTH”, “SIXTH” and “EIGHTH” above; and (iii) to the extent that any amounts available for distribution pursuant to clause “FIFTH” above are attributable to the issued but undrawn amount of outstanding Letters of Credit, such amounts shall be held by Agent as cash collateral for the Letters of Credit pursuant to Section 3.2(b) hereof and applied (A) first, to reimburse the Issuer from time to time for any drawings under such Letters of Credit and (B) then, following the expiration of all Letters of Credit, to all other obligations of the types described in clauses “FIFTH,” “SIXTH”, “SEVENTH”, and “EIGHTH” above in the manner provided in this Section 11.5.

XII. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1 Waiver of Notice. Each Credit Party hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

12.2 Delay. No delay or omission on Agent’s or any Lender’s part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default.

12.3 Jury Waiver. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

XIII. EFFECTIVE DATE AND TERMINATION.

13.1 Term. This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Credit Party, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until December 31, 2025 (the "Term") unless sooner terminated as herein provided. Borrowers may terminate this Agreement at any time upon five (5) days' prior written notice to Agent and upon payment in full of the Obligations (other than any contingent indemnification obligations to the extent no claim giving rise thereto has been asserted by Agent or any Lender).

13.2 Termination. The termination of the Agreement shall not affect any Credit Party's, Agent's or any Lender's rights, or any of the Obligations having their inception prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights or interests created or Obligations (other than Non- Credit Agreement Obligations and any contingent indemnification obligations to the extent no claim giving rise thereto has been asserted by Agent or any Lender) have been fully and paid, disposed of, concluded or liquidated. The security interests, Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that Borrowers' Account may from time to time be temporarily in a zero or credit position, until all of the Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted by Agent or any Lender) of each Credit Party have been paid and performed in full after the termination of this Agreement or each Credit Party has furnished Agent and Lenders with an indemnification satisfactory to Agent in its Permitted Discretion and Lenders with respect thereto. Accordingly, each Credit Party waives any rights which it may have under the Uniform Commercial Code or PPSA to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to the Credit Parties, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted by Agent or any Lender) have been paid in full in immediately available funds. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until all Obligations are paid and performed in full.

XIV. REGARDING AGENT.

14.1 Appointment. Each Lender hereby designates PNC to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees (except the fees set forth in the Fee Letter), charges and collections (without giving effect to any collection days) received pursuant to this Agreement, for the ratable

benefit of Lenders. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including collection of the Notes) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which exposes Agent to liability or which is contrary to this Agreement or the Other Documents or Applicable Law unless Agent is furnished with an indemnification satisfactory to Agent in its Permitted Discretion with respect thereto. Notwithstanding anything to the contrary contained herein, no Lender will attempt to collect or enforce any of its rights with respect to the Collateral except by direction to the Agent.

14.2 Nature of Duties. Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. Neither Agent nor any of its officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their bad faith, gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), or (ii) responsible in any manner for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, due execution, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of any Credit Party to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect the properties, books or records of any Credit Party. The duties of Agent as respects the Advances to Borrowers shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement except as expressly set forth herein.

14.3 Lack of Reliance on Agent. Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Credit Party in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of each Credit Party. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except as shall be provided by any Credit Party pursuant to the terms hereof. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of this Agreement or any Other Document, or of the financial condition of any Credit Party, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Notes, the Other Documents or the financial condition of any Credit Party, or the existence of any Event of Default or any Default.

14.4 Resignation of Agent; Successor Agent. Agent may resign on sixty (60) days written notice to each Lender and Borrowing Agent and upon such resignation, Required Lenders will promptly designate a successor Agent with the consent of Borrowers, not to be unreasonably withheld, conditioned or delayed (provided that no such approval by Borrowers shall be required (i) in any case where the successor Agent is one of the Lenders or (ii) after the occurrence and during the continuance of any Event of Default). Any such successor Agent shall succeed to the rights, powers and duties of Agent, and shall in particular succeed to all of Agent's right, title and interest in and to all of the Liens in the Collateral securing the Obligations created hereunder or any Other Document (including the Pledge Agreements and all account control agreements), and the term "Agent" shall mean such successor agent 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. However, notwithstanding the foregoing, if at the time of the effectiveness of the new Agent's appointment, any further actions need to be taken in order to provide for the legally binding and valid transfer of any Liens in the Collateral from former Agent to new Agent and/or for the perfection of any Liens in the Collateral as held by new Agent or it is otherwise not then possible for new Agent to become the holder of a fully valid, enforceable and perfected Lien as to any of the Collateral, former Agent shall continue to hold such Liens solely as agent for perfection of such Liens on behalf of new Agent until such time as new Agent can obtain a fully valid, enforceable and perfected Lien on all Collateral, provided that Agent shall not be required to or have any liability or responsibility to take any further actions after such date as such agent for perfection to continue the perfection of any such Liens (other than to forego from taking any affirmative action to release any such Liens). After any Agent's resignation as Agent, the provisions of this Article XIV, and any indemnification rights under this Agreement, including without limitation, rights arising under Section 17.5 hereof, shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement (and in the event resigning Agent continues to hold any Liens pursuant to the provisions of the immediately preceding sentence, the provisions of this Article XIV and any indemnification rights under this Agreement, including without limitation, rights arising under Section 17.5 hereof, shall inure to its benefit as to any actions taken or omitted to be taken by it in connection with such Liens).

14.5 Certain Rights of Agent. If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from the Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

14.6 Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care, except to the extent arising out of bad faith, gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment).

14.7 Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or Borrowing Agent referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, that, unless and until Agent shall have received such directions, 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 the best interests of Lenders.

14.8 Indemnification. To the extent Agent is not reimbursed and indemnified by the Credit Parties, each Lender will reimburse and indemnify Agent in proportion to its respective portion of the outstanding Advances and its respective Participation Commitments in the outstanding Letters of Credit and outstanding Swing Loans (or, if no Advances are outstanding, pro rata according to the percentage that its Revolving Commitment Amount constitutes of the total aggregate Revolving Commitment Amounts), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Other Document; provided that Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment).

14.9 Agent in its Individual Capacity. With respect to the obligation of Agent to lend under this Agreement, the Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with any Credit Party as if it were not performing the duties specified herein, and may accept fees and other consideration from any Credit Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

14.10 Delivery of Documents. To the extent Agent receives financial statements required under Sections 9.7, 9.8, 9.9, 9.12 and 9.13 or Borrowing Base Certificates from any Credit Party pursuant to the terms of this Agreement which any Credit Party is not obligated to deliver to each Lender, Agent will promptly furnish such documents and information to Lenders subject to the terms and conditions of Section 17.15.

14.11 Credit Parties' Undertaking to Agent. Without prejudice to their respective obligations to Lenders under the other provisions of this Agreement, each Credit Party hereby undertakes with Agent to pay to Agent from time to time on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the relevant Credit Party's obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

14.12 No Reliance on Agent's Customer Identification Program. To the extent the Advances or this Agreement is, or becomes, syndicated in cooperation with other Lenders, each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the regulations promulgated thereunder or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any of the Credit Parties, their Affiliates or their agents, the Other Documents or the transactions hereunder or contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under the CIP Regulations or such Anti-Terrorism Laws.

14.13 Other Agreements. Each of the Lenders agrees that it shall not, without the express consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the request of Agent, set off against the Obligations, any amounts owing by such Lender to any Credit Party or any deposit accounts of any Credit Party now or hereafter maintained with such Lender. Anything in this Agreement to the contrary notwithstanding, each of the Lenders further agrees that it shall not, unless specifically requested to do so by Agent, take any action to protect or enforce its rights arising out of this Agreement or the Other Documents, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Other Documents shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

14.14 Erroneous Payment.

(a) If the Agent notifies a Lender, Issuer or other Secured Party, or any Person who has received funds on behalf of a Lender, Issuer or another Secured Party (any such Lender, Issuer, Secured Party or other recipient, a "Payment Recipient") that the Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding Section 14.14(b)) that any funds received by such Payment Recipient from the 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, Issuer, other Secured Party 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 Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent, and such Lender, Issuer or other Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, return to the 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 Agent in same day funds at the greater of the Effective Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice from the Agent to any Payment Recipient under this Section 14.14(a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding Section 14.14(a), each Lender, Issuer or other Secured Party, or any Person who has received funds on behalf of a Lender, Issuer or other Secured Party hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in an amount different than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such, prepayment or repayment (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender, Issuer or other Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each case:

(i) (A) In the case of immediately preceding clause (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender, Issuer or other Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 14.14(b).

(c) Each Lender, Issuer and other Secured Party hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender, Issuer or other Secured Party under any Other Document, or otherwise payable or distributable by the Agent to such Lender, Issuer or other Secured Party from any source, against any amount due to the Agent under Section 14.14(a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance with Section 14.14(a), from any Lender or Issuer 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 Agent's notice to such Lender or Issuer at any time, (i) such Lender or Issuer shall be deemed to have assigned its Advances (but not its commitments) of the relevant class 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 Agent may specify) (such assignment of the Advances (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 Agent in such instance), and is hereby

(together with the Credit Parties) deemed to execute and deliver an assignment and assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuer shall deliver any Notes evidencing such Advances to the Borrowers or the Agent, (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender or Issuer, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuer shall cease to be a Lender or Issuer, 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 Issuer and (iv) the Agent may reflect in the Register its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion, sell any Advances 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 Issuer shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender or Issuer (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 Issuer 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 Agent has sold an Advance (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender, Issuer or other Secured Party under the Other Documents with respect to such 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 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 Agent from or on behalf of (including through the exercise of remedies under this Agreement or any Other Document) any such Credit Party for the purpose of making such Erroneous Payment; provided that this Section 14.14 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Agent.

(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 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 under this Section 14.14 shall survive the resignation or replacement of the Agent, the termination of all of the commitments and/or repayment, satisfaction or discharge of all Obligations (or any portion thereof) under this Agreement or any Other Document.

XV. BORROWING AGENCY.

15.1 Borrowing Agency Provisions.

(a) Each Credit Party hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to (i) borrow, (ii) request advances, (iii) request the issuance of Letters of Credit, (iv) sign and endorse notes, (v) execute and deliver all instruments, documents, applications, security agreements, reimbursement agreements and letter of credit agreements for Letters of Credit and all other certificates, notice, writings and further assurances now or hereafter required hereunder, (vi) make elections regarding interest rates, (vii) give instructions regarding Letters of Credit and agree with Issuer upon any amendment, extension or renewal of any Letter of Credit and (viii) otherwise take action under and in connection with this Agreement and the Other Documents, all on behalf of and in the name such Credit Party, and hereby authorizes Agent to pay over or credit all loan proceeds hereunder in accordance with the request of Borrowing Agent.

(b) The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to Borrowers and at their request. Neither Agent nor any Lender shall incur liability to Borrowers as a result thereof. To induce Agent and Lenders to do so and in consideration thereof, each Borrower hereby indemnifies Agent and each Lender and holds Agent and each Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Agent or any Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers as provided herein, reliance by Agent or any Lender on any request or instruction from Borrowing Agent or any other action taken by Agent or any Lender with respect to this Section 15.1 except due to bad faith, willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

(c) All Obligations shall be joint and several and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearance granted to Agent or any Lender to any Borrower, failure of Agent or any Lender to give any Borrower notice of borrowing or any other notice, any failure of Agent or any Lender to pursue or preserve its rights against any Borrower, the release by Agent or any Lender of any Collateral now or thereafter acquired from any Borrower, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Agent or any Lender to the other Borrowers or any Collateral for such Borrower's Obligations or the lack thereof. Each Borrower waives all suretyship defenses.

15.2 Waiver of Subrogation. Each Borrower expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Borrower may now or hereafter have against the other Borrowers or other Person directly or contingently liable for the Obligations hereunder, or against or with respect to the other Borrowers' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement, until termination of this Agreement and repayment in full of the Obligations.

15.3 Common Enterprise. The successful operation and condition of each of the Borrowers is dependent on the continued successful performance of the functions of the group of Borrowers as a whole and the successful operation of each Borrower is dependent on the successful performance and operation of each other Borrower. Each of the Borrowers expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from successful operations of Holdings and each of the other Borrowers. Each Borrower expects to derive benefit (and the boards of directors or other governing body of each such Borrower have determined that it may reasonably be expected to derive benefit), directly and indirectly, from the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Borrower has determined that execution, delivery, and performance of this Agreement and any Other Documents to be executed by such Borrower is within its corporate purpose, will be of direct and indirect benefit to such Borrower, and is in its best interest.

XVI. GUARANTY.

16.1 Unconditional Guaranty. Each Guarantor hereby unconditionally guarantees, as a primary obligor and not merely as a surety, jointly and severally with each other Guarantor when and as due, whether at maturity, by acceleration, by notice of prepayment or otherwise, the due and punctual performance of all Obligations; provided that with respect to Obligations under or in respect of any Swap Obligation, the foregoing guarantee shall only be effective to the extent that such Guarantor is an Eligible Contract Participant at the time such Swap Obligation is entered into and such Obligations and such guarantee thereof are not Excluded Hedge Liabilities. Each payment made by any Guarantor pursuant to this Guaranty shall be made in lawful money of the United States in immediately available funds, (a) without set-off or counterclaim and (b) free and clear of and without deduction or withholding for or on account of any present and future Charges and any conditions or restrictions resulting in Charges and all penalties, interest and other payments on or in respect thereof (except for Excluded Taxes) (“Covered Tax” or “Covered Taxes”) unless such Guarantor is compelled by law to make payment subject to such Covered Taxes.

16.2 Continuing Guaranty. The guarantee in this Article XVI is a continuing guarantee of payment, and shall apply to all Obligations whenever arising.

16.3 Waivers. Each Guarantor hereby absolutely, unconditionally and irrevocably waives to the extent not prohibited by Applicable Law (a) promptness, diligence, notice of acceptance, notice of presentment of payment and any other notice hereunder, (b) demand of payment, protest, notice of dishonor or nonpayment, notice of the present and future amount of the Obligations and any other notice with respect to the Obligations, (c) any requirement that Agent protect, secure, perfect or insure any security interest or Lien on any property subject thereto or exhaust any right or take any action against any other Credit Party, or any Person or any Collateral, (d) any other action, event or precondition to the enforcement hereof or the performance by any Credit Party of the Obligations, and (e) any defense arising by any lack of capacity or authority or any other defense of any Credit Party (other than defense of payment or performance) or any notice, demand or defense by reason of cessation from any cause of Obligations other than payment and performance in full of the Obligations by the Credit Parties and any defense that any other guarantee or security was or was to be obtained by Agent.

16.4 No Defense. No invalidity, irregularity, voidableness, voidness or unenforceability of this Agreement or any Other Document or any other agreement or instrument relating thereto, or of all or any part of the Obligations or of any collateral security therefor shall affect, impair or be a defense hereunder.

16.5 Guaranty of Payment. The Guaranty hereunder is one of payment and performance, not collection, and the obligations of each Guarantor are independent of the Obligations of the other Credit Parties, and a separate action or actions may be brought and prosecuted against any Guarantor to enforce the terms and conditions of this Article XVI, irrespective of whether any action is brought against any other Credit Party or other Persons or whether any other Credit Party or other Persons are joined in any such action or actions. Each Guarantor waives any right to require that any resort be had by Agent to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of Agent in favor of any Credit Party or any other Person. No election to proceed in one form of action or proceedings, or against any Person, or on any Obligations, shall constitute a waiver of Agent's right to proceed in any other form of action or proceeding or against any other Person unless Agent has expressed any such right in writing. Without limiting the generality of the foregoing, no action or proceeding by Agent against any Credit Party under any document evidencing or securing indebtedness of any Credit Party to Agent shall diminish the liability of any Guarantor, except to the extent Agent receives actual payment on account of Obligations by such action or proceeding, notwithstanding the effect of any such election, action or proceeding upon the right of subrogation of any Credit Party in respect of any Credit Party.

16.6 Liabilities Absolute. The liability of each Guarantor shall be absolute, unlimited and unconditional and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than prior indefeasible payment in full of all Obligations), including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any claim, defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any other Obligation or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor shall not be discharged or impaired, released, limited or otherwise affected by:

(a) any change in the manner, place or terms of payment or performance, and/or any change or extension of the time of payment or performance of, release, renewal or alteration of, or any new agreements relating to any Obligation, any security therefor, or any liability incurred directly or indirectly in respect thereof, or any rescission of, or amendment, waiver or other modification of, or any consent to departure from, this Agreement or any Other Document, including any increase in the Obligations resulting from the extension of additional credit to any Credit Party or otherwise;

(b) any sale, exchange, release, surrender, loss, abandonment, realization upon any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, all or any of the Obligations, and/or any offset there against, or failure to perfect, or continue the perfection of, any Lien in any such property, or delay in the perfection of any such Lien, or any amendment or waiver of or consent to departure from any other guaranty for all or any of the Obligations;

(c) the failure of Agent to assert any claim or demand or to enforce any right or remedy against any Credit Party or any other Credit Party or any other Person under the provisions of this Agreement or any Other Document or any other document or instrument executed and delivered in connection herewith or therewith;

(d) any settlement or compromise of any Obligation, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and any subordination of the payment of all or any part thereof to the payment of any obligation (whether due or not) of any Credit Party to creditors of any Credit Party other than any other Credit Party;

(e) any manner of application of Collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Obligations or any other assets of any Credit Party;

(f) the invalidity, irregularity, voidableness, voidness or unenforceability of this Agreement or any Other Document or any other agreement or instrument relating thereto, or of all or any part of the Obligations or of any collateral security therefor; or

(g) any other agreements or circumstance of any nature whatsoever that may or might in any manner or to any extent vary the risk of any Credit Party, or that might otherwise at law or in equity constitute a defense available to, or a discharge of, the Guaranty hereunder and/or the obligations of any Credit Party, or a defense to, or discharge of, any Credit Party or any other Person or party hereto or the Obligations or otherwise with respect to the Advances or other financial accommodations to Credit Parties pursuant to this Agreement and/or the Other Documents.

16.7 Waiver of Notice. Agent shall have the right to do any of the above without notice to or the consent of any Guarantor, and each Guarantor expressly waives any right to notice of, consent to, knowledge of and participation in any agreements relating to any of the above or any other present or future event relating to Obligations whether under this Agreement or otherwise or any right to challenge or question any of the above and waives any defenses of such Guarantor which might arise as a result of such actions.

16.8 Agent's Discretion. Agent may at any time and from time to time (whether prior to or after the revocation or termination of this Agreement) without the consent of, or notice to, any Guarantor, and without incurring responsibility to any Guarantor or impairing or releasing the Obligations, apply any sums by whomsoever paid or howsoever realized to any Obligations regardless of what Obligations remain unpaid.

16.9 Reinstatement.

(a) The Guaranty provisions herein contained shall continue to be effective or be automatically reinstated, as the case may be, if a claim is ever made upon Agent for repayment or recovery of any amount or amounts received by such Person in payment or on account of any of the Obligations and such Person repays all or part of said amount for any reason whatsoever, including, without limitation, by reason of any judgment, decree or order of any court or administrative body having jurisdiction over such Person or the respective property of each, or any

settlement or compromise of any claim effected by such Person with any such claimant (including any Credit Party); and in such event each Credit Party hereby agrees that any such judgment, decree, order, settlement or compromise or other circumstances shall be binding upon such Credit Party, notwithstanding any revocation hereof or the cancellation of any note or other instrument evidencing any Obligation, and each Credit Party shall be and remain liable to Agent for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Person(s),

(b) Agent shall not be required to marshal any assets in favor of any Credit Party, or against or in payment of Obligations.

(c) No Credit Party shall be entitled to claim against any present or future security held by Agent from any Person for Obligations in priority to or equally with any claim of Agent, or assert any claim for any liability of any Credit Party to any Credit Party in priority to or equally with claims of Agent for Obligations, and no Credit Party shall be entitled to compete with Agent with respect to, or to advance any equal or prior claim to any security held by Agent for Obligations.

(d) If any Credit Party makes any payment to Agent, which payment is wholly or partly subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any Person under any federal or state statute or at common law or under equitable principles, then to the extent of such payment, the Obligation intended to be paid shall be revived and continued in full force and effect as if the payment had not been made, and the resulting revived Obligation shall continue to be guaranteed, uninterrupted, by each Credit Party.

(e) All present and future monies payable by any Credit Party to any other Credit Party, whether arising out of a right of subrogation, reimbursement, contribution, indemnification, or otherwise, are assigned to Agent as additional security for such Credit Party's liability to Agent hereunder and are postponed and subordinated to Agent's prior right to payment in full of Obligations. During the existence of an Event of Default, all monies received by any Credit Party from any other Credit Party shall be held by such Credit Party as agent and trustee for Agent. This assignment, postponement and subordination shall only terminate when the Obligations (other than contingent obligations as to which no claim has been made) are paid in full in cash, all commitments are irrevocably terminated and this Agreement is irrevocably terminated.

(f) Each Credit Party acknowledges this assignment and subordination and, upon the occurrence and during the continuance of an Event of Default, agrees to make no payments to any other Credit Party in respect of any Indebtedness for borrowed money without the prior written consent of Agent. Each Credit Party agrees to give full effect to the provisions hereof.

16.10 Lien Subordination; Remedies Standstill. Notwithstanding the order or time of attachment, or the order, time or manner of perfection, or the order or time of filing or recordation of any document or instrument, or other method of perfecting a Lien in favor of Agent or any Credit Party in any Collateral and notwithstanding any conflicting terms or conditions which may be contained in this Agreement or any agreement evidencing Indebtedness owing by any Credit Party to any other Credit Party, the Liens on the Collateral in favor of Agent have and shall have

priority over the Liens on the Collateral in favor of any Credit Party (including, without limitation, any Liens of any Credit Parties arising from the exercise of unsecured lender remedies), and such Liens in favor of any Credit Party are and shall be, in all respects, subject and subordinate to the Liens of Agent to the full extent of the Obligations outstanding from time to time. Until the payment in full in cash of all Obligations, no Credit Party shall exercise any rights or remedies against any other Credit Party, in its capacity as a secured creditor of such other Credit Party, to sell, foreclose, realize upon or liquidate any of the Collateral, including the exercise of any of the rights or remedies of a "secured party" under Article 9 of the Uniform Commercial Code or under the PPSA, as applicable.

16.11 Statute of Limitations. Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by any Credit Party or others with respect to any of the Obligations shall, if the statute of limitations in favor of any Guarantor against Agent shall have commenced to run, toll the running of such statute of limitations and, if the period of such statute of limitations shall have expired, prevent the operation of such statute of limitations.

16.12 Interest. All amounts due, owing and unpaid from time to time by any Guarantor hereunder shall bear interest at the interest rate per annum then chargeable with respect to the Advances (without duplication of interest on the underlying Obligation).

16.13 Currency Conversion. Without limiting any other rights in this Agreement, if for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Guaranty or any Other Document it becomes necessary to convert into the currency of such jurisdiction (herein called the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, "rate of exchange" means the rate at which Agent would, on the relevant date at or about 12:00 p.m., be prepared to sell a similar amount of such currency in New York, New York against the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, each Guarantor will, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of payment is the amount then due under this Guaranty or any Other Document in such other currency. Any additional amount due from Guarantor under this Section 16.13 will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement or any of the Other Documents.

16.14 Acknowledgement. Each Guarantor acknowledges receipt of a copy of each of this Agreement and the Other Documents. Each Guarantor has made an independent investigation of Credit Parties and of the financial condition of Credit Parties. Agent has not made, nor does it hereby make any representations or warranties as to the income, expense, operation, finances or any other matter or thing affecting any Credit Party, and Agent has not made any representations or warranties as to the amount or nature of the Obligations of any Credit Party to which this Article XVI applies as specifically herein set forth, nor Agent or any officer, agent or employee of Agent or any representative thereof, made any other oral representations, agreements or commitments of any kind or nature, and each Guarantor hereby expressly acknowledges that no such representations or warranties have been made and such Guarantor expressly disclaims reliance on any such representations or warranties.

XVII. MISCELLANEOUS.

17.1 Governing Law. This Agreement and each Other Document (unless and except to the extent expressly provided otherwise in any such Other Document), and all matters relating hereto or thereto or arising herefrom or therefrom (whether arising under contract law, tort law or otherwise) shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York. Any judicial proceeding brought by or against any Credit Party with respect to any of the Obligations, this Agreement, the Other Documents or any related agreement may be brought in any court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, each Credit Party accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, but with respect to each Canadian Borrower only, the Agent and Lenders shall not be precluded from initiating any proceeding against it in the courts of the Province of Alberta, Canada in their sole discretion. Each Credit Party hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified or registered mail (return receipt requested) directed to Borrowing Agent at its address set forth in Section 17.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at Agent's option, by service upon Borrowing Agent which each Credit Party irrevocably appoints as such Credit Party's Agent for the purpose of accepting service within the State of New York. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Credit Party in the courts of any other jurisdiction. Each Credit Party waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Each Credit Party waives the right to remove any judicial proceeding brought against such Credit Party in any state court to any federal court. Any judicial proceeding by any Credit Party against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the County of New York, State of New York or, with respect to any Canadian Borrower, the Province of Alberta.

17.2 Entire Understanding.

(a) THIS AGREEMENT AND THE DOCUMENTS EXECUTED CONCURRENTLY HEREWITH CONTAIN THE ENTIRE UNDERSTANDING BETWEEN EACH CREDIT PARTY, AGENT AND EACH LENDER AND SUPERSEDES ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, IF ANY, RELATING TO THE SUBJECT MATTER HEREOF. ANY PROMISES, REPRESENTATIONS, WARRANTIES OR GUARANTEES NOT HEREIN CONTAINED AND HEREINAFTER MADE SHALL HAVE NO FORCE AND EFFECT UNLESS IN WRITING, SIGNED BY EACH CREDIT PARTY'S, AGENT'S AND EACH LENDER'S RESPECTIVE OFFICERS. Neither this Agreement nor any

portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Notwithstanding the foregoing, Agent may modify this Agreement or any of the Other Documents for the purposes of completing missing content or correcting erroneous content of an administrative nature, without the need for a written amendment, provided that the Agent shall send a copy of any such modification to the Credit Parties and each Lender (which copy may be provided by electronic mail). Each Credit Party acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) Required Lenders, Agent with the consent in writing of Required Lenders, and Borrowers may, subject to the provisions of this Section 17.2(b), from time to time enter into written supplemental agreements to this Agreement or the Other Documents executed by Borrowers, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Borrowers thereunder or the conditions, provisions or terms thereof or waiving any Event of Default thereunder, but only to the extent specified in such written agreements; ***provided***, ***however***, that no such supplemental agreement shall:

(i) increase the Revolving Commitment Percentage or the maximum dollar amount of the Revolving Commitment Amount of any Lender without the consent of such Lender directly affected thereby;

(ii) whether or not any Advances are outstanding, extend the Term or the time for payment of principal or interest of any Advance (excluding the due date of any mandatory prepayment of an Advance), or any fee payable to any Lender, or reduce the principal amount of or the rate of interest borne by any Advances or reduce any fee payable to any Lender, without the consent of each Lender directly affected thereby (except that Required Lenders may elect to waive or rescind any imposition of the Default Rate under Section 3.1 or of default rates of Letter of Credit fees under Section 3.2 (unless imposed by Agent));

(iii) [Reserved];

(iv) alter the definition of the term Required Lenders or alter, amend or modify this Section 17.2(b) without the consent of all Lenders;

(v) alter, amend or modify the provisions of Section 11.5 without the consent of all Lenders;

(vi) release all or substantially all of the Collateral (other than in accordance with the provisions of this Agreement) without the consent of all Lenders;

(vii) change the rights and duties of Agent without the consent of all Lenders;

(viii) subject to clause (e) below, permit any Revolving Advance to be made if after giving effect thereto the total of Revolving Advances outstanding hereunder would exceed the Formula Amount for more than sixty (60) consecutive Business Days or exceed one hundred and ten percent (110%) of the Formula Amount without the consent of all Lenders holding a Revolving Commitment;

(ix) increase the Advance Rates above the Advance Rates in effect on the Restatement Date without the consent of all Lenders holding a Revolving Commitment;

(x) release any Guarantor or Borrower (in each case, other than in accordance with this Agreement) without the consent of all Lenders; or

(xi) alter, amend or modify the provisions of Article XVI without the consent of all Guarantors.

(c) Any such supplemental agreement shall apply equally to each Lender and shall be binding upon the Credit Parties, Lenders and Agent and all future holders of the Obligations. In the case of any waiver, Borrowers, Agent and Lenders shall be restored to their former positions and rights, and any Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Event of Default shall extend to any subsequent Event of Default (whether or not the subsequent Event of Default is the same as the Event of Default which was waived), or impair any right consequent thereon.

(d) In the event that Agent requests the consent of a Lender pursuant to this Section 17.2 and such consent is denied, then Agent may, at its option, require such Lender to assign its interest in the Advances to Agent or to another Lender or to any other Person designated by Agent and acceptable to Borrowers (unless an Event of Default has occurred and is continuing and such consent not to be unreasonably withheld, conditioned or delayed) (the "Designated Lender"), for a price equal to (i) the then outstanding principal amount thereof plus (ii) accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Borrowers. In the event Agent elects to require any Lender to assign its interest to Agent or to the Designated Lender, Agent will so notify such Lender in writing within forty five (45) days following such Lender's denial, and such Lender will assign its interest to Agent or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender, Agent or the Designated Lender, as appropriate, and Agent.

(e) Notwithstanding (i) the existence of a Default or an Event of Default, (ii) that any of the other applicable conditions precedent set forth in Section 8.2 hereof have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, Agent may at its discretion and without the consent of any Lender, voluntarily permit the outstanding Revolving Advances at any time to exceed the Formula Amount hereof at such time by up to ten percent (10%) of the Formula Amount for up to sixty (60) consecutive Business Days (the "Out-of-Formula Loans"). If Agent is willing in its sole and absolute discretion to permit such Out-of-Formula Loans, Lenders holding the Revolving Commitments shall be obligated to fund such Out-of-Formula Loans in accordance with their respective Revolving Commitment Percentages, and such Out-of-Formula Loans shall be payable on demand and shall bear interest at the Default Rate for Revolving Advances consisting of Domestic Rate Loans; provided that, if Agent does permit

Out-of-Formula Loans, neither Agent nor Lenders shall be deemed thereby to have changed the limits of Section 2.1(a) nor shall any Lender be obligated to fund Revolving Advances in excess of its Revolving Commitment Amount. For purposes of this paragraph, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Formula Amount was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be either "Eligible Receivables", "Eligible Unbilled Receivables", "Eligible Inventory" or "Eligible Rental Fleet Inventory", as applicable, becomes ineligible, collections of Receivables applied to reduce outstanding Revolving Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral. In the event Agent involuntarily permits the outstanding Revolving Advances to exceed the Formula Amount by more than ten percent (10%), Agent shall use its efforts to have Borrowers decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess. Revolving Advances made after Agent has determined the existence of involuntary overadvances shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence. To the extent any Out-of-Formula Loans are not actually funded by the other Lenders as provided for in this Section 17.2(e), Agent may elect in its discretion to fund such Out-of-Formula Loans and any such Out-of-Formula Loans so funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

(f) In addition to (and not in substitution of) the discretionary Revolving Advances permitted above in this Section 17.2, Agent is hereby authorized by Borrowers and Lenders, at any time in Agent's sole discretion, regardless of (i) the existence of a Default or an Event of Default, (ii) whether any of the other applicable conditions precedent set forth in Section 8.2 hereof have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, to make Revolving Advances ("Protective Advances") to Borrowers on behalf of Lenders which Agent, in its Permitted Discretion, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Advances and other Obligations, or (c) to pay any other amount chargeable to Borrowers pursuant to the terms of this Agreement (the "Protective Advances"); provided, that the Protective Advances made hereunder shall not exceed one hundred and ten percent (110%) of the Formula Amount. Lenders holding the Revolving Commitments shall be obligated to fund such Protective Advances and effect a settlement with Agent therefor upon demand of Agent in accordance with their respective Revolving Commitment Percentages. To the extent any Protective Advances are not actually funded by the other Lenders as provided for in this Section 17.2(f), any such Protective Advances funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

(g) Notwithstanding anything to the contrary contained in this Section 17.2, if following the Restatement Date, the Agent and Borrowing Agent shall have jointly identified an ambiguity, inconsistency, obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of this Agreement or any of the Other Documents, then the Agent and Borrowing Agent shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to this Agreement or such Other Document if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

17.3 Successors and Assigns; Participations; New Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of each Credit Party, Agent, each Lender, all future holders of the Obligations and their respective successors and permitted assigns, except that no Credit Party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

(b) Each Credit Party acknowledges that in the regular course of commercial banking business one or more Lenders may at any time and from time to time sell participating interests in the Advances to other financial institutions other than Disqualified Institutions (each such transferee or purchaser of a participating interest, a "Participant"). Each Participant may exercise all rights of payment (including rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Participant were the direct holder thereof provided that Borrowers shall not be required to pay to any Participant more than the amount which it would have been required to pay to Lender which granted an interest in its Advances or other Obligations payable hereunder to such Participant had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder and in no event shall Borrowers be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Participant. Each Credit Party hereby grants to any Participant a continuing security interest in any deposits, moneys or other property actually or constructively held by such Participant as security for the Participant's interest in the Advances.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the respective Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts of (and stated interest on) each Participant's interest in the Advances or other Obligations (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 Obligation or Other 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, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(c) Any Lender, with the consent of Agent, and so long as no Event of Default has occurred and is then continuing, the consent of Borrowing Agent (other than with respect to any sale, assignment or transfer to a Permitted Assignee), such consent of the Borrowing Agent not to be unreasonably withheld, delayed or conditioned, may sell, assign or transfer all or any part of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to one or more additional Persons and one or more additional Persons may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than $5,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Revolving Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the a Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Each Credit Party hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the a Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Any Lender, with the consent of Agent which shall not be unreasonably withheld or delayed, may directly or indirectly sell, assign or transfer all or any portion of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to an entity, whether a corporation, partnership, trust, limited liability company or other entity (other than a Disqualified Institution) that (i) is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and (ii) is administered, serviced or managed by the assigning Lender or an Affiliate of such Lender (a "Purchasing CLO" and together with each Participant and Purchasing Lender, each a "Transferee" and collectively the "Transferees"), pursuant to a Commitment Transfer Supplement modified as appropriate to reflect the interest being assigned ("Modified Commitment Transfer Supplement"), executed by any intermediate purchaser, the Purchasing CLO, the transferor Lender, and Agent as appropriate and delivered to Agent for recording. Upon such execution and delivery, from and after the transfer effective date determined pursuant to such Modified Commitment Transfer Supplement, (i) Purchasing CLO thereunder shall be a party hereto and, to the extent provided in such Modified Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder and (ii) the transferor Lender thereunder shall, to the extent provided in such Modified Commitment Transfer Supplement, be released from its obligations under this Agreement, the Modified Commitment Transfer Supplement creating a novation for that purpose. Such Modified Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing CLO. Each Credit Party hereby consents to the addition of such Purchasing CLO. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(e) Agent, acting solely for this purpose as a nonfiduciary agent of the Borrowers, shall maintain at its address a copy of each Commitment Transfer Supplement and Modified Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of each Lender and the outstanding principal, accrued and unpaid interest and other fees due hereunder. The entries in the Register shall be conclusive, in the absence of manifest error, and each Borrower, Agent and Lenders shall treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Borrowing Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of $3,500 payable by the applicable Purchasing Lender and/or Purchasing CLO upon the effective date of each transfer or assignment (other than to an intermediate purchaser) to such Purchasing Lender and/or Purchasing CLO. This Section 17.3(e) and Section 17.3(b) shall be construed so that the obligations hereunder are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and Section 5f.103-1(c) of the United States Treasury Regulations. Notwithstanding anything to the contrary contained in this Agreement or Other Documents, the obligations hereunder are intended to be registered obligations for applicable federal income Tax purposes and the right, title and interest of any Lender and its assignees in and to such obligations shall be transferable only upon notation of such transfer in the Register.

(f) Each Credit Party authorizes each Lender to disclose to any Transferee and any prospective Transferee any and all financial information in such Lender's possession concerning such Credit Party which has been delivered to such Lender by or on behalf of such Credit Party pursuant to this Agreement or in connection with such Lender's credit evaluation of such Credit Party, in each case, subject to an agreement containing provisions substantially the same as those of Section 17.15.

(g) Notwithstanding anything to the contrary contained in this Agreement, any Lender may at any time and from time to 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.

17.4 Application of Payments. Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Credit Party makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Credit Party's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

17.5 Indemnity. Each Credit Party shall defend, protect, indemnify, pay and save harmless Agent, Issuer, each Lender and each of their respective officers, directors, Affiliates, attorneys, employees and agents (each an "Indemnified Party") for and from and against any and all claims, demands, liabilities, obligations, losses, damages, penalties, fines, actions, judgments, suits, costs, charges, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel (including allocated costs of internal counsel)) (collectively, "Claims") which may be imposed on, incurred by, or asserted against any Indemnified Party other than Excluded Claims in arising out of or in any way relating to or as a consequence, direct or indirect, of: (i) this Agreement, the Other Documents, the Advances and other Obligations and/or the transactions contemplated hereby including the Transactions, (ii) any action or failure to act or action taken only after delay or the satisfaction of any conditions by any Indemnified Party in connection with and/or relating to the negotiation, execution, delivery or administration of the Agreement and the Other Documents, the credit facilities established hereunder and thereunder and/or the transactions contemplated hereby including the Transactions, (iii) any Borrower's or any Guarantor's failure to observe, perform or discharge any of its covenants, obligations, agreements or duties under or breach of any of the representations or warranties made in this Agreement and the Other Documents, (iv) the enforcement of any of the rights and remedies of Agent, Issuer or any Lender under the Agreement and the Other Documents, (v) any threatened or actual imposition of fines or penalties, or disgorgement of benefits, for violation of any Anti-Terrorism Law by any Borrower, any Affiliate or Subsidiary of any Credit Party, or any Guarantor, and (vi) any claim, litigation, proceeding or investigation instituted or conducted by any Governmental Body or instrumentality or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent or any Lender is a party thereto. Without limiting the generality of any of the foregoing, each Credit Party shall defend, protect, indemnify, pay and save harmless each Indemnified Party from (x) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party arising out of or in any way relating to or as a consequence, direct or indirect, of the issuance of any Letter of Credit hereunder and (y) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party under any Environmental Laws with respect to or in connection with the Real Property, any Hazardous Discharge, the presence of any Hazardous Materials affecting the Real Property (whether or not the same originates or emerges from the Real Property or any contiguous real estate), including any Claims consisting of or relating to the imposition or assertion of any Lien on any of the Real Property under any Environmental Laws and any loss of value of the Real Property as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender. Credit Parties' obligations under this Section 17.5 shall arise upon the discovery of the presence of any Hazardous Materials at the Real Property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Materials, in each such case except to the extent that any of the foregoing arises out of the gross negligence or willful misconduct of the Indemnified Party (as determined by a court of competent jurisdiction in a final and non-appealable judgment). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THIS INDEMNITY SHALL EXTEND TO ANY LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES AND DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER (INCLUDING FEES AND DISBURSEMENTS OF COUNSEL) ASSERTED AGAINST OR INCURRED BY ANY OF THE INDEMNIFIED PARTIES BY ANY PERSON UNDER ANY ENVIRONMENTAL LAWS OR SIMILAR LAWS BY REASON OF ANY CREDIT PARTY'S OR ANY OTHER PERSON'S FAILURE TO COMPLY WITH LAWS APPLICABLE TO SOLID OR HAZARDOUS WASTE

MATERIALS, INCLUDING HAZARDOUS MATERIALS AND HAZARDOUS WASTE, OR OTHER TOXIC SUBSTANCES. ADDITIONALLY, IF ANY TAXES (OTHER THAN EXCLUDED TAXES, INDEMNIFIED TAXES OR OTHER TAXES, WHICH SHALL BE GOVERNED BY SECTION 3.10) SHALL BE PAYABLE BY AGENT, LENDERS OR THE CREDIT PARTIES ON ACCOUNT OF THE EXECUTION OR DELIVERY OF THIS AGREEMENT, OR THE EXECUTION, DELIVERY, ISSUANCE OR RECORDING OF ANY OF THE OTHER DOCUMENTS, OR THE CREATION OR REPAYMENT OF ANY OF THE OBLIGATIONS HEREUNDER, BY REASON OF ANY APPLICABLE LAW NOW OR HEREAFTER IN EFFECT, THE CREDIT PARTIES WILL PAY (OR WILL PROMPTLY REIMBURSE AGENT AND LENDERS FOR PAYMENT OF) ALL SUCH TAXES, INCLUDING INTEREST AND PENALTIES THEREON, AND WILL INDEMNIFY AND HOLD THE INDEMNIFIED PARTIES HARMLESS FROM AND AGAINST ALL LIABILITY IN CONNECTION THEREWITH.

17.6 Notice. Any notice or request hereunder may be given to Borrowing Agent or any Credit Party or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section. Any notice, request, demand, direction or other communication (for purposes of this Section 17.6 only, a "Notice") to be given to or made upon any party hereto under any provision of this Agreement shall be given or made by telephone or in writing (which includes by means of electronic transmission (i.e., "e-mail") or facsimile transmission or by setting forth such Notice on a site on the World Wide Web (a "Website Posting") if Notice of such Website Posting (including the information necessary to access such site) has previously been delivered to the applicable parties hereto by another means set forth in this Section 17.6) in accordance with this Section 17.6. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth under their respective names in this Section 17.6 hereof or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 17.6. Any Notice shall be effective:

(a) In the case of hand-delivery, when delivered;

(b) If given by mail, four (4) days after such Notice is deposited with the United States or Canadian Postal Service, with first-class postage prepaid, return receipt requested;

(c) In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, a Website Posting or an overnight courier delivery of a confirmatory Notice (received at or before noon on such next Business Day);

(d) In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number, if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;

(e) In the case of electronic transmission, when actually received;

(f) In the case of a Website Posting, upon delivery of a Notice of such posting (including the information necessary to access such site) by another means set forth in this Section 17.6; and

(g) If given by any other means (including by overnight courier), when actually received.

Any Lender giving a Notice to Borrowing Agent or any Credit Party shall concurrently send a copy thereof to Agent, and Agent shall promptly notify the other Lenders of its receipt of such Notice.

(A) If to Agent or PNC at:

PNC Bank, National Association
200 Crescent Court, Suite 400
Dallas, Texas 75201
Attention: Relationship Manager (DTI)
Telephone: (214) 871-1254
Facsimile: (214) 871-2015

with a copy to:

PNC Bank, National Association
PNC Agency Services
PNC Firstside Center
500 First Avenue, 4th Floor
Pittsburgh, Pennsylvania 15219
Attention: Lisa Pierce
Telephone: (412) 762-6442
Facsimile: (412) 762-8672

with an additional copy to:

Holland & Knight LLP
1722 Routh Street, Suite 1500
Dallas, Texas 75201
Attn: Michelle W. Suarez, Esq.
Telephone: (214) 964-9500
Facsimile: (214) 964-9501

(B) If to a Lender other than Agent, as specified on the signature pages hereof

(C) If to Borrowing Agent or any Credit Party:

Drilling Tools International, Inc.
3701 Briarpark Drive, Suite 150
Houston, Texas 77042

Attention: Mr. David Johnson
Telephone: (936) 697-9367
E-mail: david.johnson@drillingtools.com

with a copy to:

Hicks Equity Partners LLC
2200 Ross Avenue, 50th Floor
Dallas, Texas 75201
Attention: Curt Crofford
Telephone: (214) 615-2250
Facsimile: (214) 615-2251

17.7 Survival. The obligations of the Credit Parties under Sections 2.2(g), 2.18, 3.10, and 17.5, and the obligations of Lenders under Section 14.7, shall survive termination of this Agreement and the Other Documents and payment in full of the Obligations.

17.8 Severability. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under Applicable Laws, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

17.9 Expenses. Borrowers shall pay (i) all documented out-of-pocket expenses incurred by Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the Other Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all documented out-of-pocket expenses incurred by Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by Agent, any Lender or Issuer (including the fees, charges and disbursements of any counsel for Agent, any Lender or Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the Other Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances or Letters of Credit, and (iv) all reasonable and documented out-of-pocket expenses of Agent's regular employees and agents engaged periodically to perform audits of the any Credit Party's or any Credit Party's Affiliate's or Subsidiary's books, records and business properties subject to the limitations set forth in Sections 4.6 and 4.7.

17.10 Injunctive Relief. Each Credit Party recognizes that, in the event any Credit Party fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, or threatens to fail to perform, observe or discharge such obligations or liabilities, any remedy at law may prove to be inadequate relief to Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

17.11 Consequential Damages. Neither Agent nor any Lender, nor any agent or attorney for any of them, shall be liable to any Credit Party (or any Affiliate of any such Person) for indirect, punitive, exemplary or consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations or as a result of any transaction contemplated under this Agreement or any Other Document.

17.12 Captions. The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

17.13 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission shall be deemed to be an original signature hereto.

17.14 Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

17.15 Confidentiality; Sharing Information.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that information regarding Parent and its Subsidiaries, or the respective securities of any of the foregoing ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any Secured Party and to employees, directors and officers of any Secured Party (the Persons in this clause (i), "Secured Party Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any Secured Party (including any provider of Cash Management Products and Services), provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.15, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrowing Agent, (vi) as requested or required by any Governmental Body pursuant to any subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent, the Lenders or the Secured Party Representatives), (viii) in connection with any actual or potential assignment, participation or pledge of any Lender's interest under this Agreement, provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information either subject to the terms of this Section 17.15 or pursuant to confidentiality requirements substantially similar to those contained in this Section 17.15 (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding

involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents, (x) in connection with any public filings by Agent, any Lender or their respective affiliates, (xi) to directors, shareholders, current or prospective investors, current or prospective partners or affiliates or any Secured Party, and (xii) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any Other Document.

(b) The Credit Parties hereby acknowledge that Agent or its Affiliates may make available to the Lenders materials or information provided by or on behalf of the Credit Parties hereunder (collectively, the "Credit Party Materials") by posting the Credit Party Materials on IntraLinks, SyndTrak or another similar electronic system (the "Platform") and certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Credit Parties or their securities). The Credit Parties shall be deemed to have authorized Agent and its Affiliates and the Lenders to treat Credit Party Materials marked "PUBLIC" or otherwise at any time filed with the SEC as not containing any material non-public information with respect to the Credit Parties or their securities for purposes of United States federal and state securities laws. All Credit Party Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor" (or another similar term). Agent and its Affiliates and the Lenders shall be entitled to treat any Credit Party Materials that are not marked "PUBLIC" or that are not at any time filed with the SEC as being suitable only for posting on a portion of the Platform not marked as "Public Investor" (or such other similar term).

17.16 Publicity. Each Credit Party and each Lender hereby authorizes Agent, subject to Borrowing Agent's prior review and consent (not to be unreasonably withheld), to make appropriate announcements of the financial arrangement entered into among the Credit Parties, Agent and Lenders, including announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall in its sole discretion deem appropriate; provided, that, upon the consent by Borrowing Agent, Agent and Lenders may make and distribute reproductions of such consented-to marketing, press releases or other transactional announcements or updates.

17.17 Certifications From Banks and Participants; USA PATRIOT Act.

(a) Each Lender or assignee or participant of a Lender that is not incorporated under the Laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA PATRIOT Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA PATRIOT Act and the applicable regulations: (1) within ten (10) days after the Restatement Date, and (2) as such other times as are required under the USA PATRIOT Act.

The USA PATRIOT Act requires all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, each Lender may from time to time request, and each Credit Party shall provide to the Lenders, such Credit Party's name, address, tax identification number and/or such other identifying information as shall be necessary for the Lenders to comply with the USA PATRIOT Act and any other Anti-Terrorism Law.

17.18 Concerning Joint and Several Liability of Borrowers. In each case, subject to Section 15.3:

(a) Each Borrower is accepting joint and several liability hereunder in consideration of the financial accommodations to be provided by the Lenders under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of each of Borrowers to accept joint and several liability for the Obligations of each of them.

(b) Each of Borrowers jointly and severally hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers with respect to the payment and performance of all of the Obligations, it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each of Borrowers without preferences or distinction among them.

(c) If and to the extent that any of Borrowers shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event, the other Borrowers will make such payment with respect to, or perform, such Obligation.

(d) The obligations of each Borrower under the provisions of this Section 17.18 constitute full recourse obligations of such Borrower, enforceable against it to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstances whatsoever.

(e) Except as otherwise expressly provided herein, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of any Advance made under this Agreement, notice of occurrence of any Event of Default, or of any demand for any payment under this Agreement (except as otherwise provided herein), notice of any action at any time taken or omitted by any Lender under or in respect of any of the Obligations, any requirement of diligence and, generally, all demands, notices and other formalities of every kind in connection with this Agreement. Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by any Lender at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by any Lender in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Lender, including, without limitation, any failure strictly or diligently to assert any right or to pursue any

remedy or to comply fully with the Applicable Laws or regulations thereunder which might, but for the provisions of this Section 17.18, afford grounds for terminating, discharging or relieving such Borrower, in whole or in part, from any of its obligations under this Section 17.18, it being the intention of each Borrower that, so long as any of the Obligations remain unsatisfied, the obligations of such Borrower under this Section 17.18 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 17.18 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any Borrower or any Lender. The joint and several liability of Borrowers hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of any Borrower or any Lender.

(f) The provisions of this Section 17.18 are made for the benefit of the Lenders and their respective successors and assigns, and may be enforced by any such Person from time to time against any of Borrowers as often as occasion therefor may arise and without requirement on the part of any Lender first to marshal any of its claims or to exercise any of its rights against any of the other Borrowers or to exhaust any remedies available to it against any of the other Borrowers or to resort to any other source or means of obtaining payment of any of the Obligations or to elect any other remedy. The provisions of this Section 17.18 shall remain in effect until all the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by any Lender upon the insolvency, bankruptcy or reorganization of any of Borrowers, or otherwise, the provisions of this Section 17.18 will forthwith be reinstated in effect, as though such payment had not been made.

(g) Notwithstanding any provision to the contrary contained herein or in any other of the Other Documents, to the extent the joint obligations of a Borrower shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state, provincial or federal law relating to fraudulent conveyances or transfers) then the obligations of each Borrower hereunder shall be limited to the maximum amount that is permissible under Applicable Law (whether federal, provincial or state and including, without limitation, the federal Bankruptcy Code).

(h) Borrowers hereby agree, as among themselves, that if any Borrower shall become an Excess Funding Borrower (as defined below), each other Borrower shall, on demand of such Excess Funding Borrower (but subject to the next sentence hereof and to subsection (B) below), pay to such Excess Funding Borrower an amount equal to such Borrower's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, assets, liabilities and debts of such Excess Funding Borrower) of such Excess Payment (as defined below). The payment obligation of any Borrower to any Excess Funding Borrower under this Section 17.18(h) shall be subordinate and subject in right of payment to the prior payment in full of the Obligations of such Borrower under the other provisions of this Agreement, and such Excess Funding Borrower shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such Obligations. For purposes hereof, (i) "Excess Funding Borrower" shall mean, in respect of any Obligations arising under the other provisions of this Agreement (hereafter, the "Joint Obligations"), a Borrower that has paid an amount in excess of

its Pro Rata Share of the Joint Obligations; (ii) "Excess Payment" shall mean, in respect of any Joint Obligations, the amount paid by an Excess Funding Borrower in excess of its Pro Rata Share of such Joint Obligations; and (iii) "Pro Rata Share", for the purposes of this Section 17.18(h), shall mean, for any Borrower, the ratio (expressed as a percentage) of (A) the amount by which the aggregate present fair salable value of all of its assets and properties exceeds the amount of all debts and liabilities of such Borrower (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of such Borrower hereunder) to (B) the amount by which the aggregate present fair salable value of all assets and other properties of such Borrower and all of the other Borrowers exceeds the amount of all of the debts and liabilities (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of such Borrower and the other Borrowers hereunder) of such Borrower and all of the other Borrowers, all as of the Restatement Date (if any Borrower becomes a party hereto subsequent to the Restatement Date, then for the purposes of this Section 17.18(h) such subsequent Borrower shall be deemed to have been a Borrower as of the Restatement Date and the information pertaining to, and only pertaining to, such Borrower as of the date such Borrower became a Borrower shall be deemed true as of the Restatement Date) notwithstanding the payment obligations imposed on Borrowers in this Section, the failure of a Borrower to make any payment to an Excess Funding Borrower as required under this Section shall not constitute an Event of Default.

17.19 Anti-Terrorism Laws. Each Credit Party represents, warrants and covenants to Agent and each Lender, as of the date hereof, the date of each Advance, the date of any renewal, extension or modification of this Agreement, and at all times during the Term, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Jurisdiction or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Jurisdiction or Sanctioned Person in violation of any Anti-Terrorism Law; (b) the proceeds of the Advances will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Jurisdiction or Sanctioned Person in violation of any Anti-Terrorism Law; (c) the funds used to repay the Advances are not derived from any unlawful activity; (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by any Anti-Terrorism Laws; and (e) no Collateral is Embargoed Property. Each Credit Party covenants and agrees that (a) it shall promptly notify the Agent in writing upon the occurrence of a Reportable Compliance Event; and (b) if, at any time, any Collateral becomes Embargoed Property, in addition to all other rights and remedies available to Agent and the Lenders, upon request by Agent, the Credit Parties shall provide substitute Collateral acceptable to Agent and the Lenders that is not Embargoed Property.

17.20 Canadian Anti-Money Laundering Legislation. Each Credit Party acknowledges that, pursuant to the Proceeds of Crime Money Laundering and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, under the laws of Canada (collectively, including any guidelines or orders thereunder, "AML Legislation"), Agent and Lenders may be required to obtain, verify and record information regarding each Credit Party, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Credit Party, and the transactions contemplated hereby. Borrowing Agent shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or Agent, or any prospective assign or participant of a Lender or Agent, necessary in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

If Agent has ascertained the identity of any Credit Party or any authorized signatories of any Credit Party for the purposes of applicable AML Legislation, then the Agent:

(a) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Agent within the meaning of applicable AML Legislation; and

(b) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the provisions of this Section and except as may otherwise be agreed in writing, each Lender agrees that Agent has no obligation to ascertain the identity of the Credit Parties or any authorized signatories of the Credit Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Credit Parties or any such authorized signatory in doing so.

17.21 Amendment and Restatement.

(a) The parties hereto acknowledge and agree that, except as otherwise set forth herein, (i) this Agreement and the Other Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a novation or repayment and reborrowing of the Advances and the other Obligations under the Existing Credit Agreement or the Other Documents (as defined in the Existing Credit Agreement) as in effect prior to the Restatement Date, (ii) the Obligations (as defined in the Existing Credit Agreement) under the Existing Credit Agreement and the Other Documents (as defined in the Existing Credit Agreement) are in all respects continuing (as amended and restated hereby and which are in all respects hereinafter subject to the terms herein) and (iii) the Liens and security interests as granted under the Existing Credit Agreement, the Guarantor Security Agreement (as defined in the Existing Credit Agreement) and the applicable Other Documents (as defined in the Existing Credit Agreement) securing payment of such Obligations (as defined in the Existing Credit Agreement) are in all respects continuing and in full force and effect and are reaffirmed hereby.

(b) The parties hereto acknowledge and agree that on and after the Restatement Date, all references to the "Credit Agreement" in any Other Document (as defined in the Existing Credit Agreement) shall be deemed to refer to this Agreement.

(c) Upon the execution and delivery of this Agreement (x) except for any provisions thereof that expressly survive termination (which shall remain in effect), that certain Guarantor Security Agreement dated as of the Closing Date by and between Holdings and Agent shall be automatically and without any further action terminated, (y) DTS shall be joined to this Agreement as a "Borrower" and "Credit Party" hereunder and under the Other Documents with all obligations of a "Borrower" and "Credit Party" hereunder and thereunder, and (z) Parent and Holdings shall be joined to this Agreement, each as a "Guarantor" and "Credit Party" hereunder and under the Other Documents with all obligations of a "Guarantor" and "Credit Party" hereunder and thereunder.

(d) The parties hereto acknowledge and agree that this amendment and restatement is limited as written and is not a consent to any other amendment, restatement or waiver or other modification, whether or not similar and, except as expressly provided herein or in any Other Document, all terms and conditions of this Agreement and the Other Documents remain in full force and effect unless otherwise specifically amended hereby or by any Other Documents.

[SIGNATURE PAGES TO FOLLOW]

Each of the parties has signed this Agreement as of the day and year first above written.

BORROWERS:

DRILLING TOOLS INTERNATIONAL, INC.

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

REAMCO, INC.

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

DRILLING TOOLS INTERNATIONAL CORP.

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

PREMIUM TOOLS LLC

By: Drilling Tools International, Inc., as its sole member

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

DOWNHOLE INSPECTION SOLUTIONS LLC

By: Drilling Tools International, Inc., as its sole member

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

SLICK TOOLS INTERNATIONAL LLC

By: /s/ David Johnson
Name: David Johnson
Title: Treasurer

DATA AUTOMATION TECHNOLOGY LLC

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

DRILLING TOOLS SERVICES, INC.

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

GUARANTORS:

DRILLING TOOLS INTERNATIONAL CORPORATION

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.

By: /s/ David Johnson
Name: David Johnson
Title: Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION,
as Lender and as Agent

By: /s/ Chris Handler
Name: Chris Handler
Title: Senior Vice President

Revolving Commitment Percentage: 100%
Revolving Commitment Amount: $60,000,000

Exhibit 10.7

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "**Agreement**") is made and entered into as of June 20, 2023, by and between Drilling Tools International Corporation, a Delaware corporation (the "**Company**"), and _____ ("**Indemnitee**").

BACKGROUND

Highly competent persons have become more reluctant to serve corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

The Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will, unless certain conditions described below are met, maintain on an ongoing basis, at its sole expense, liability insurance to protect certain persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions.

Directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself.

The Second Amended and Restated Certificate of Incorporation of ROC Energy Acquisition Corp. (as may be amended, the "**Certificate of Incorporation**") and the Amended and Restated Bylaws of the Company (as may be amended, the "**Bylaws**") require indemnification of the officers and directors of the Company to the full extent permissible under applicable law. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("**DGCL**"). The Certificate of Incorporation, the Bylaws, and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers, and other persons with respect to indemnification.

The uncertainties relating to insurance and to indemnification have increased the difficulty of attracting and retaining persons to serve. The Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

It is reasonable, prudent, and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

This Agreement is a supplement to and in furtherance of the Certificate of Incorporation and Bylaws and any resolutions adopted by the Board, and will not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Indemnitee does not regard the protection available under the Certificate of Incorporation and Bylaws and insurance as adequate in the present circumstances; may not be willing to serve as an officer or director without adequate protection; and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve, and to take on additional service for or on behalf of the Company on the condition that he or she be so indemnified.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of Indemnitee's agreement to serve as an officer or director or both after the date of this Agreement, the parties to this Agreement agree as follows:

1. Indemnification of Indemnitee. The Company hereby agrees to defend, hold harmless, and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee will be entitled to the rights of indemnification provided in this Agreement if, by reason of his or her Corporate Status (as defined below), the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as defined below) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), the Company will indemnify, defend, and hold Indemnitee harmless to the fullest extent permitted by applicable law, as such may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than permitted prior to such amendment), against all Expenses (as defined below), judgments, penalties (including, but not limited to, excise and similar taxes), fines, and amounts paid in settlement actually and reasonably incurred by him or her, or on his or her behalf, in connection with such Proceeding or any claim, issue, or matter in any such Proceeding, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee will be entitled to the rights of indemnification provided in this Agreement if, by reason of his or her Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), he Company will indemnify, defend, and hold Indemnitee harmless to the fullest extent permitted by applicable law, as such may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than permitted prior to such amendment), against all Expenses actually and reasonably incurred by the Indemnitee, or on the Indemnitee's

behalf, in connection with such Proceeding, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification against such Expenses will be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee has been finally adjudged to be liable to the Company by a court of competent jurisdiction from which there is no further right of appeal unless and to the extent that the court in which such action or suit was brought determines that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a party to and is wholly successful, on the merits or otherwise, in any Proceeding, he or she will be indemnified by the Company to the fullest extent permitted by law, as such may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than permitted prior to such amendment), against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with such Proceeding. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues, or matters in such Proceeding, the Company will indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with each successfully resolved claim, issue, or matter. For purposes of this Section 1(c) and without limitation, the termination of any claim, issue, or matter in such a Proceeding by dismissal, with or without prejudice, will be deemed to be a successful result as to such claim, issue, or matter.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company will and hereby does indemnify, defend, and hold harmless Indemnitee against all Expenses, judgments, penalties (including, but not limited to, excise and similar taxes), fines, and amounts paid in settlement actually and reasonably incurred by him or her or on his or her behalf if, by reason of his or her Corporate Status, he or she is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the sole, contributory, comparative or other negligence, or active or passive wrongdoing of Indemnitee. Except as provided in this Section 2 or in Section 9, the only limitation that will exist upon the Company's obligations pursuant to this Agreement will be that the Company will not be obligated to make any payment to Indemnitee that is finally adjudged (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7) to be prohibited by applicable law.

3. Contribution.

(a) Regardless of whether the indemnification provided in Sections 1 and 2 is available, in respect of any threatened, pending, or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company will pay, in the first instance, the entire amount of any judgment or settlement of such Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have against

Indemnitee. The Company will not, without prior written consent of Indemnitee, enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement solely involves the payment of money and includes a full, unconditional and final release of all claims that are or were asserted against Indemnitee in such Proceeding. In addition, the Company will not, without prior written consent of Indemnitee, seek or agree to a bar order that extinguishes Indemnitee's rights to indemnification or advancement of Expenses, whether under this Agreement or otherwise.

(b) Without diminishing or impairing the obligations of the Company set forth in Section 3(a), if, for any reason, Indemnitee elects or is required to pay all or any portion of any judgment or settlement in any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company will contribute to the amount of Expenses, judgments, penalties (including, but not limited to, excise and similar taxes), fines, and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received from the transaction that gave rise to such Proceeding by (i) the Company and all officers, directors, or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand; and (ii) Indemnitee, on the other hand; *provided*, *however*, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors, or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such Expenses, judgments, penalties (including, but not limited to, excise and similar taxes), fines, or settlement amounts, as well as any other equitable considerations that applicable law may require to be considered. The relative fault of the Company and all officers, directors, or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, will be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary, and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify, defend, and hold harmless Indemnitee from any claims of contribution that may be brought by officers, directors, or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, will contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise and similar taxes, and amounts paid or to be paid in settlement or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) or transaction(s) giving cause to such Proceeding; and (ii) the relative fault of the Company (and its directors, officers, employees, and agents) and Indemnitee in connection with such event(s) or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness or otherwise involved in any Proceeding to which Indemnitee is not a party, the Company will indemnify, defend, and hold harmless the Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

5. Advancement of Expenses. To the fullest extent permitted by law, as such may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader advancement rights than permitted prior to such amendment), the Company will advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within 10 days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements will reasonably evidence the Expenses incurred by Indemnitee and will include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it is ultimately determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 will be unsecured and interest-free and any advances will be made without regard to Indemnitee's ability to repay the Expenses. Indemnitee will qualify for and be entitled to receive such advances solely upon execution and delivery to the Company of the statement or statements and the undertaking referred to in this Section 5.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnification that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions will apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee must submit to the Company a written request, including such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company will, promptly upon receipt of such a request for indemnification, advise the Board that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure by Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually prejudices the interests of the Company. Any Expenses incurred by, or in the case of retainers, to be incurred by, the Indemnitee in connection with the Indemnitee's request for indemnification hereunder shall be borne by the Company.

(b) If the Company shall be obligated to pay the Expenses of any Proceeding against Indemnitee, the Company shall be entitled to assume and control the defense of such Proceeding (with counsel consented to by Indemnitee, which consent shall not be unreasonably withheld), upon the delivery to Indemnitee of written notice of its election so to do. After delivery of such notice, consent to such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding; *provided*, *however*, that if (i) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (ii) Indemnitee or counsel selected by the Company shall have concluded that there may be a conflict of interest between the Company and Indemnitee or among Indemnitees jointly represented in the conduct of any such defense; or (iii) the Company shall not, in fact, have employed counsel, to which Indemnitee has consented as aforesaid, to assume the defense of such Proceeding, then the reasonable fees and expenses of Indemnitee's counsel shall be at the expense of the Company. Notwithstanding the foregoing, Indemnitee shall have the right to employ counsel in any such Proceeding at Indemnitee's expense.

(c) The Company will be entitled to participate in the Proceeding at its own expense. The Company will not, without prior written consent of Indemnitee, effect any settlement of a claim against Indemnitee in any threatened or pending Proceeding unless such settlement solely involves the payment of money by any Person (as defined below) other than Indemnitee and includes a full, unconditional and final release of all claims that are or were asserted against Indemnitee in such Proceeding. In addition, the Company will not, without prior written consent of Indemnitee, seek or agree to a bar order that extinguishes Indemnitee's rights to indemnification or advancement of Expenses, whether under this Agreement or otherwise.

(d) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement to indemnification will be made in the specific case: (i) if a Change in Control (as defined below) shall have occurred, by Independent Counsel (as defined below) in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors (as defined below), even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company. Indemnitee will reasonably cooperate with the Person making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such Person upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any Expenses actually and reasonably incurred by Indemnitee in so cooperating with the Person making such determination will be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies, defends, and agrees to hold Indemnitee harmless from any such costs and Expenses. If it is determined that Indemnitee is entitled to indemnification requested by Indemnitee in a written application submitted to the Company pursuant to Section 6, payment to Indemnitee will be made within 60 days after the written request for indemnification submitted by Indemnitee.

(e) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(d), the Independent Counsel will be selected as provided in this Section 6(e). If a Change in Control has not occurred, the Independent Counsel will be selected by the Board, and the Company will give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control has occurred, the Independent Counsel will be selected by Indemnitee (unless Indemnitee requests that such selection be made by the Board, in which event the preceding sentence will apply), and Indemnitee will give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of such selection has been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in this Agreement, and the objection will set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected will act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel and to fully indemnify such Independent Counsel against any and all Expenses, claims, liabilities, and damages arising out of or relating to this Agreement or its engagement pursuant to this Agreement.

(f) In making a determination with respect to entitlement to indemnification under this Agreement, the Person making such determination will presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption will have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including the Board, Independent Counsel or its stockholders) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Company (including the Board, Independent Counsel or its stockholders) that Indemnitee has not met such applicable standard of conduct, will be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(g) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise (as defined below), including financial statements, or on information supplied to Indemnitee by directors, officers, employees or agents of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to

the Enterprise by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise. In addition, the knowledge or actions, or failure to act, of any director, officer, agent, or employee of the Enterprise will not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Regardless of whether the foregoing provisions of this Section 6(g) are satisfied, it will in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption will have the burden of proof and the burden of persuasion by clear and convincing evidence.

(h) If the Person empowered or selected under Section 6(d) to determine whether Indemnitee is entitled to indemnification has not made a determination within 30 days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification will be deemed to have been made and Indemnitee will be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification or (ii) a prohibition of such indemnification under applicable law.

(i) Indemnitee will cooperate with the Person making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such Person upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board, or stockholder of the Company will act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any Expenses actually and reasonably incurred by Indemnitee in so cooperating with the Person making such determination will be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby agrees to indemnify, defend, and hold Indemnitee harmless therefrom.

(j) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption, or uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Proceeding with or without payment of money or other consideration), it will be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption will have the burden of proof and the burden of persuasion by clear and convincing evidence.

(k) The termination of any Proceeding or of any claim, issue, or matter therein, by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, will not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(d) of this Agreement within 30 days after receipt by the Company of the request for indemnification or (iv) payment of indemnification is not made pursuant to this Agreement within 60 days after receipt by the Company of a written request therefor, Indemnitee may at any time thereafter bring suit against the Company to enforce Indemnitee's claim to such indemnification or payment. The Company will not oppose Indemnitee's right to bring such suit.

(b) In the event that a determination has been made pursuant to Section 6(d) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 will be conducted in all respects as a *de novo* trial on the merits, and Indemnitee will not be prejudiced by reason of the adverse determination under Section 6(d).

(c) If a determination has been made pursuant to Section 6(d) of this Agreement that Indemnitee is entitled to indemnification, the Company will be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company will indemnify, defend, and hold harmless Indemnitee against any and all Expenses and, if requested by Indemnitee, will (within 30 days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, that are actually and reasonably incurred by Indemnitee in connection with any action brought by Indemnitee (i) for indemnification or advancement of Expenses from the Company under this Agreement, (ii) to recover damages for breach of this Agreement or (iii) related to any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses, or insurance recovery, as the case may be.

(e) The Company will be precluded from asserting in any proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding, and enforceable and will stipulate in any court of competent jurisdiction that the Company is bound by all the provisions of this Agreement.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement will be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification as provided by this Agreement will not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, a resolution of directors, or otherwise. No amendment, alteration, or repeal of this Agreement or of any provision of this Agreement will limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration, or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded at the time of such change under the Certificate of Incorporation, the Bylaws, or this Agreement, it is the intent of the parties to this Agreement that Indemnitee will enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy conferred by this Agreement is intended to be exclusive of any other right or remedy, and every other right and remedy will be cumulative and in addition to every other right and remedy given under this Agreement or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under this Agreement, or otherwise, will not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company hereby covenants and agrees that, so long as Indemnitee serves in a Corporate Status and thereafter so long as Indemnitee may be subject to any possible Proceeding by reason of the fact that Indemnitee served in a Corporate Status, the Company, subject to Section 8(d), will maintain in full force and effect liability insurance to protect Indemnitee from personal liabilities incurred by reason of the fact that Indemnitee is or was serving in such capacity ("**Liability Insurance**") in reasonable amounts from established and reputable insurers.

(c) In all applicable policies of Liability Insurance, Indemnitee will be named as an insured and will be covered by such policies in accordance with their terms to the maximum extent of the coverage available for any director, officer, employee, or agent or fiduciary under such policy or policies.

(d) Notwithstanding the foregoing, the Company will have no obligation to maintain Liability Insurance if the Company determines in good faith that such insurance is not reasonably available, the premium costs for such insurance are disproportionate to the amount of coverage provided, the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or Indemnitee is covered by similar insurance maintained by a subsidiary of the Company or by another Person pursuant to a contractual obligation owed to the Company. The Company shall provide at least 30 days' notice to Indemnitee prior to ceasing the maintenance of Liability Insurance. The Company's decision whether or not to adopt and maintain such insurance will not affect in any way its obligations to indemnify the Indemnitee under this Agreement or otherwise.

(e) Following the receipt of a notice of a claim pursuant to the terms of this Agreement, the Company will give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company will thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(f) Except as set forth in Section 8(g) below, in the event of any payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who will execute all papers required and take all action reasonably necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(g) The Company hereby acknowledges that Indemnitee may have rights to indemnification or advancement of Expenses or insurance provided by one or more Persons with whom or which the Indemnitee may be associated (collectively, the "**Third Party Indemnitors**"). The Company hereby agrees that (i) it is the indemnitor of first resort and that the obligations of the Company to Indemnitee are primary and any obligation of the Third Party Indemnitors to provide indemnification for or advancement of Expenses incurred by Indemnitee are secondary, (ii) the Indemnitee's right to indemnification under this Agreement, and the Certificate of Incorporation and the Bylaws, including the right to advancement of Expenses, indemnification, and contribution, shall not be diminished, modified, qualified, or otherwise affected by any right of Indemnitee against any Third Party Indemnitor, and (iii) it irrevocably waives, relinquishes, and releases the Third Party Indemnitors from any and all claims against the Third Party Indemnitors for contribution, subrogation, or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Third Party Indemnitors on behalf of the Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Third Party Indemnitors shall have the right of contribution and be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Third Party Indemnitors are third party beneficiaries of the terms of this Section 8(g).

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company will not be obligated under this Agreement to make any indemnification in connection with:

(a) any claim made against Indemnitee for which payment has actually been made to or on behalf of Indemnitee under any insurance policy held by the Company or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; *provided*, *however*, that the foregoing shall not affect the rights of Indemnitee or the Third Party Indemnitors set forth in Section 8(g) above;

(b) any claim made against Indemnitee for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined below) or similar provisions of state law; or

(c) except as otherwise provided in Section 7, any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, or other indemnitees, unless (i) the Board authorized the Proceeding (or such part of any Proceeding) prior to its initiation, (ii) such indemnification is expressly required to be made by applicable law or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. Duration of Agreement. All agreements and obligations of the Company contained in this Agreement will continue during the period Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another Person) and will continue thereafter so long as Indemnitee is, or may be made, the subject to any Proceeding (or any proceeding commenced under Section 7) by reason of his or her Corporate Status, regardless of whether he or she is acting or serving in any such capacity at the time any liability or Expense is incurred for which indemnification can be provided under this Agreement. This Agreement will be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors (including any direct or indirect successor by purchase, merger, consolidation, reorganization, or otherwise to all or a majority of the business, assets or income or revenue generating capacity of the Company), assigns, spouses, heirs, executors, and personal and legal representatives.

11. Successors and Binding Agreement. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization, or otherwise) to all or a majority of the business, assets, or income or revenue generating capacity of the Company, by agreement in form and substance reasonably satisfactory to Indemnitee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company by operation of law or otherwise.

12. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it by this Agreement in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) Subject to Section 8(a) hereof, this Agreement constitutes the entire agreement between the parties hereto with respect to the matter hereof and supersedes all prior written and oral, and contemporaneous oral, agreements, negotiations, and understandings, express or implied, between the parties with respect to the subject matter hereof. This Section 12(b) will not be construed to limit any other rights Indemnitee may have under the Certificate of Incorporation, the Bylaws, applicable law or otherwise.

13. Definitions. For purposes of this Agreement:

(a) "**Corporate Status**" describes the status of a person who is or was a director, officer, manager, partner, trustee, employee, agent, or fiduciary of the Enterprise that such person is or was serving at the express request of the Company and includes, without limitation, the status of such person as an advisor to the Enterprise prior to the commencement of service in any other Corporate Status.

(b) "**Change in Control**" will be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) any Acquiring Person (as defined below), other than HHEP-Directional, L.P. and its affiliates, is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities;

(ii) during any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in paragraphs (i), (iii) or (iv) of this definition) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

(iii) the effective date of a merger or consolidation of the Company with any other Person, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving Person outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving Person;

(iv) the approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or a majority of the Company's assets or income or revenue-generating capacity; or

(v) there occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act, whether or not the Company is then subject to such reporting requirement.

For purposes of the foregoing, the following terms will have the following meanings:

(A) "**Acquiring Person**" will mean a "person" or "group" within the meaning of Sections 13(d) and 14(d) of the Exchange Act; *provided, however*, that Acquiring Person will exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any Person owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(B) "**Beneficial Owner**" will have the meaning given to such term in Rule 13d-3 under the Exchange Act; *provided, however*, that Beneficial Owner will exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another Person.

(c) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) "**Enterprise**" means the Company and any other Person that Indemnitee is or was serving at the express request of the Company.

(e) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(f) "**Expenses**" include all reasonable attorneys' fees, accountants' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payment under this Agreement (including taxes that may be imposed upon the actual or deemed receipt of payments under this Agreement with respect to the imposition of federal, state, local or foreign taxes), and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, including reasonable compensation for time spent by Indemnitee in connection with the prosecution, defense, preparation to prosecute or defend, investigation, participation, preparation or involvement as a witness, or appeal of a Proceeding or action for indemnification for which Indemnitee is not otherwise compensated by the Company or any third party. "Expenses" also include expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. "Expenses," however, do not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification under this Agreement. Notwithstanding the foregoing, the term "Independent Counsel" will not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) "**Person**" means any individual, corporation, partnership, limited liability company, trust, benefit plan, governmental or quasi-governmental agency, and any other entity, public or private.

(i) "**Proceeding**" includes any threatened, pending, or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing, or any other actual, threatened, or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative, or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was acting in his or her Corporate Status, by reason of any action taken by him or her or of any inaction on his or her part while acting in his or her Corporate Status; in each case whether or not he or she is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including any Proceeding pending on or before the date of this Agreement, but excluding any Proceeding initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his or her rights under this Agreement.

14. Severability. The invalidity or unenforceability of any provision of this Agreement will in no way affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable law. In the event any provision of this Agreement conflicts with any applicable law, such provision will be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. Modification and Waiver. No supplement, modification, termination, or amendment of this Agreement will be binding unless executed in writing by each of the parties. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provisions of this Agreement (whether or not similar) nor will such waiver constitute a continuing waiver. This Agreement cannot be modified or amended, or any provision of this Agreement waived, by course of conduct.

16. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information, or other document relating to any Proceeding or matter that may be subject to indemnification covered under this Agreement. The failure to so notify the Company will not relieve the Company of any obligation that it may have to Indemnitee under this Agreement unless and only to the extent that such failure or delay materially prejudices the Company.

17. Notices. All notices and other communications given or made pursuant to this Agreement will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent:

(a) To Indemnitee at the address set forth below Indemnitee's signature hereto.

(b) To the Company at:

Drilling Tools International Corporation
3701 Briarpark Dr. Ste 150
Houston, Texas 77042
Attention: Corporate Secretary

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature or other electronic means and in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

19. Rules of Construction.

(a) The headings of the paragraphs of this Agreement are inserted for convenience only and will not be deemed to constitute part of this Agreement or to affect the construction of this Agreement.

(b) Time is of the essence with respect to this Agreement.

(c) Unless the context otherwise requires, references to "Sections" and "Exhibits" are to Sections of, and Exhibits to, this Agreement.

(d) This Agreement will be liberally construed in favor of Indemnitee.

(e) Use of the word "or" will not be exclusive.

(f) Use of defined terms in the singular will include the plural, and *vice versa*.

20. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties will be governed by, and construed and enforced in accordance with, the Federal laws of the United States of America and the laws of the State of Delaware, without regard to its conflict of laws rules or any other principle that could result in the application of the laws of any other jurisdiction. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement will be brought only in the Court of Chancery of the State of Delaware (the "**Delaware Court**") and not in any other state or Federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, as such party's agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

21. Section 409A. This Agreement shall be interpreted to comply with or, to the extent possible, be exempt (including pursuant to Treasury Regulation section 1.409A-1(b)(10)from Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder to the extent applicable (collectively "**Section 409A**"), and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Solely to the extent that any otherwise required payment under this Agreement would not be exempt from Section 409A (any such payment, a "**Non-Exempt Payment**"), such Non-Exempt Payment shall comply with the following conditions: (a) the amount of the Non-Exempt Payment payable to Indemnitee in one calendar year shall not affect the amount of expenses eligible for payment or reimbursement in any other calendar year, whether pursuant to this Agreement or any other agreement between the Indemnitee and the Company; (b) the Non-Exempt Payment shall be made to Indemnitee no later than the last day of the calendar year following the calendar year in which Indemnitee incurs or is deemed to have incurred the costs or Expenses giving rise to Indemnitee's right to the Non-Exempt Payment; and (c) Indemnitee's right to the Non-Exempt Payment shall not be subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, in the event of a bona fide dispute regarding Indemnitee's entitlement to the Non-Exempt Payment (or a portion thereof), payment of the Non-Exempt Payment (or a portion thereof) may be delayed to a later date to the extent permitted under Section 409A.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

DRILLING TOOLS INTERNATIONAL CORPORATION

By: _____

Name:
Title:

INDEMNITEE

_____

Name: _____

Address:

_____

_____

_____

_____

[*Signature Page to Indemnification Agreement*]

Exhibit 14.1

DRILLING TOOLS INTERNATIONAL CORPORATION

Code of Business Conduct

Adopted: June 20, 2023

TABLE OF CONTENTS

1. Purpose and Overview

Drilling Tools International Corporation and its subsidiaries (collectively, "**DTI**" or the "**Company**"), are committed to complying with the letter and spirit of the laws that govern our business, and we are dedicated to fostering an environment where we treat each other respectfully, deliver outstanding service to our customers, work safely, compete honestly, and take pride in what we do. Accordingly, our Board of Directors has approved this Code of Business Conduct (the "**Code**") to set the DTI standard for honest and ethical conduct, and to serve as a practical guide to help our directors, officers, and employees, and others with whom we do business, make the right legal and ethical choices no matter the circumstances. The purpose of the Code is to be a resource to foster good decision-making and to help all members of the DTI team comply with the law and uphold our values. If you are faced with a situation in which the proper path is unclear—think and ask before you act. Only with all of us working together can we continue to achieve our vision. The Code covers a wide range of business practices and procedures but does not cover every issue that may arise.

(a) Our Commitment to Ethics and Compliance

Our commitment to honest and ethical conduct goes beyond compliance with applicable laws and regulations. All DTI directors, officers, and employees are expected to act ethically and with integrity in everything they do, which means following all applicable laws and regulations as well as using good judgment and doing the right thing.

(b) Compliance with Laws, Rules and Regulations

We operate in many locations and environments, so it is important that we always remain aware of the different laws and regulations that apply. This is especially true when we are guests in a location where the laws and regulations differ from what we are accustomed to. No matter your location, as a director, officer, or employee of DTI, you have an obligation to respect and comply with all applicable laws, rules, and regulations. If you encounter a situation where the law conflicts with the Code, or if you are unsure whether or not you are doing the right thing, you should seek guidance from the Chief Financial Officer (or such other employee(s) assigned by the Chief Financial Officer to assist with matters relating to the Code) or any of the other resources identified in the Code. Our commitment to ethics and compliance means that help is always available to you.

(c) Application of the Code

The Code applies to all DTI employees, officers and directors. When the Code uses the term "**employee**," it refers to all of the Company's officers, directors and employees. We also expect our contractors, consultants, trainees, temporary employees and the like, whom we collectively refer to as "**associates**," to follow the Code. In addition, we expect all our suppliers, agents, and other service providers to uphold similar standards. We aspire to do business only with third parties that have a commitment to integrity.

The Code should be read in conjunction with the other policies and procedures that we establish from time to time, including but not limited to our:

1. Code of Ethics for Senior Executive Officers (attached hereto as Appendix A);
2. Related Party Transaction Policy (as discussed in Section 4(b) of the Code);
3. Regulation Fair Disclosure Policy (as discussed in Section 4(c) of the Code);
4. Insider Trading Policy (as discussed in Section 4(d) of the Code);
5. Whistleblower Policy;
6. Health, Safety and Environmental Manual (the "**HSE Manual**"); and
7. Employee Handbook.

If you believe that the Code conflicts with another DTI policy, you should seek clarification from the Chief Financial Officer. DTI policies may be created or modified at any time, and DTI may use its discretion in the interpretation of its policies. All DTI employees and associates are required to understand and comply with those policies, in addition to any new or modified policies as they are communicated.

(d) Failure to Follow the Code

Compliance with the Code is mandatory. Violations of the Code or other DTI policies may subject the violating employee to discipline, up to and including termination of employment.

(e) Using the Code

The Code is intended as a resource to help our employees and associates overcome difficult situations and make the right ethical and legal choices in those situations. Whenever you have a question about what constitutes lawful or ethical conduct, or if you have a compliance-related concern, you should refer to the Code to determine how to proceed and who you should contact for guidance. The Code also outlines how to report concerns, raise issues, and escalate potential violations of the Code or the law using resources DTI makes available.

(f) At-Will Employment

NOTHING IN THE CODE NOR ANY OTHER COMMUNICATION BY A DTI REPRESENTATIVE OR ANY OTHER EMPLOYEE, WHETHER ORAL OR WRITTEN, IS INTENDED TO IN ANY WAY CREATE A CONTRACT OF EMPLOYMENT. UNLESS AN EMPLOYEE HAS A WRITTEN EMPLOYMENT AGREEMENT SIGNED BY AN AUTHORIZED DTI REPRESENTATIVE STATING OTHERWISE, EMPLOYEES ARE EMPLOYED AT WILL AND NOTHING IN THE CODE CAN BE CONSTRUED TO CONTRADICT, LIMIT OR OTHERWISE AFFECT AN EMPLOYEE'S RIGHT OR DTI'S RIGHT TO TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME WITH OR WITHOUT NOTICE OR CAUSE.

2. <u>Reporting Violations of the Code; Investigations</u>

(a) How to Report a Concern

DTI is committed to providing outstanding working conditions for its employees and associates, and as part of this commitment encourages open communication in which any concern, complaint, suggestion, or question receives a timely response.

If you become aware of a behavior that violates or appears to violate the Code, any DTI policies or business practices, or any applicable laws or regulations, you have a responsibility to promptly report the behavior to a supervisor, manager, the Chief Financial Officer, or if the report relates to accounting practices, internal controls over financial reporting, auditing, or to conduct involving the Chief Financial Officer, directly to the Audit Committee of DTI's Board of Directors (the "**Audit Committee**"). You may also report such behavior through DTI's Whistleblower Hotline (as described below). Behavior that violates the Code includes, but is not limited to:

1. Fraud, corruption or bribery;
2. Inappropriate financial or accounting practices;
3. Violations of state or federal securities laws;
4. Violation of antitrust laws, fair disclosure laws, or fair competition regulations;
5. Violations of any other local, state, or federal laws;
6. Discrimination or harassment;
7. Workplace violence;
8. Safety or environmental violations;
9. Giving or receiving inappropriate gifts, meals, or entertainment;
10. Failure to report known or potential conflicts of interest;
11. Misuse or inappropriate disclosure of proprietary or confidential information;
12. Improper use of company resources; and

13. Retaliation following the proper reporting of concerns under the Code.

If you report a violation or suspected violation of the Code to a supervisor or manager, but feel that they are dismissing your report or you are told to “keep quiet,” you must immediately escalate your report to the Chief Financial Officer or the Audit Committee, as appropriate.

You may also report violations of the Code, or other violations of law, on a confidential, anonymous basis, through DTI’s Whistleblower Hotline using the following contact information:

- Telephone: 844-700-0924
- Online: https://www.whistleblowerservices.com/DTI

When making a report, you will be asked to provide details regarding the nature of the violation. You will also be asked to fully disclose what you observed or experienced so that the Company can take appropriate action to address the potential violation in a timely manner. You may report a violation of the Code on an anonymous or non-anonymous basis. Third parties that we have had or currently have a business relationship with, including vendors, customers, shareholders, and suppliers, also have a responsibility to report any observed or suspected violations of the Code.

For more information on how to report a violation of the Code, and on DTI’s commitment to protecting the identity and safety of people who report violations of the Code in good faith, please refer to Section 2(e) below and to DTI’s Whistleblower Policy.

If you are reporting a violation or suspected violation of an accounting matter, please report the complaint in accordance with the procedures identified in the Company’s Whistleblower Policy.

(b) Responsibilities of Employees

All employees and associates have a responsibility to read, understand, and comply with the Code. Employees and associates also have a responsibility to promptly report violations of the Code, and a responsibility to seek guidance when the Code does not provide sufficient answers to a question or concern.

(c) Further Responsibilities of Supervisors and Managers

Supervisors and managers have a duty to serve as positive role models by complying with and enforcing the Code. When an employee or associate reports a violation of the Code to a supervisor or manager, they are required to escalate the report to the Chief Financial Officer, or directly to the Audit Committee if the report relates to accounting practices, internal controls over financial reporting, auditing, or to conduct involving the Chief Financial Officer.

Every supervisor or manager who receives a report of a violation or suspected violation of the Code is required to treat the reporting employee or associate with respect, handle the report with confidentiality and discretion, and notify the Chief Financial Officer of the report.

DTI's commitment to ethics and compliance is an ongoing, company-wide effort. Supervisors and managers are responsible for ensuring that all DTI employees and associates under their supervision have access to the Code, understand the Code, and comply with the Code. Supervisors and managers are also responsible for ensuring that the employees and associates under their supervision comply with DTI's other policies, business practices, and applicable law during the course of their employment or service.

(d) Handling of Reports and Investigations

DTI will promptly respond to all reports of conduct that may violate the Code or other policies and assign appropriate individuals within the Company to initiate and conduct an investigation. Any and all reports related to accounting practices, internal controls over financial reporting, or auditing will be reviewed and addressed by or under the supervision of the Audit Committee.

As detailed in DTI's Whistleblower Policy, we will take care to protect the identity of persons who report observed or suspected misconduct on an anonymous basis, subject to DTI's need to comply with applicable laws and regulations. In the event a report of observed or suspected misconduct is made on a non-anonymous basis, the person making the report will be expected to cooperate with the investigation and answer any questions relating to the investigation honestly and completely.

(e) Policy Against Retaliation

We are dedicated to investigating and addressing all reported violations of the Code and take ethics and compliance-related questions and concerns very seriously. DTI does not tolerate any type of retaliation against anyone who reports violations of the Code in good faith, and any DTI employee or associate who attempts to retaliate against someone who has reported a violation of the Code in good faith will be subject to disciplinary action up to and including termination of employment or service and, if the circumstances require, the retaliatory behavior will be reported to the appropriate enforcement agency. Retaliatory behavior includes actual or threatened harassment, violence, adverse employment consequences, or any other negative action taken against a person in response to that person's having reported a violation of the Code in good faith and/or cooperating with an investigation into a reported violation of the Code. For additional information on DTI's policy against retaliation and the protections available to people who report violations of the Code in good faith, please refer to DTI's Whistleblower Policy.

(f) Cooperation in Investigations

All employees and associates have a responsibility to cooperate with any internal investigation initiated in response to a report that a violation of the Code may have occurred, and except as necessary to comply with law, are required to keep their involvement in any such investigation strictly confidential. Cooperation includes answering all questions relating to the investigation completely, honestly, and in good faith. In certain cases, DTI may engage third-party firms or consultants to conduct an investigation into a reported violation of the Code. Depending on the nature of the reported violation, the third-party firms and consultants engaged by DTI to conduct an investigation may include external auditors, private investigators, and law firms. All employees and associates are required to cooperate fully with such third-party investigations, and to treat the individuals carrying out the investigation with the same level of respect that would be afforded to a DTI colleague. Any DTI employee or associate who fails to cooperate or answers questions dishonestly in connection with an investigation (whether conducted internally or by third-party investigators) is subject to disciplinary action, up to and including termination of employment or service, and, if applicable, referral for criminal prosecution.

(g) Cooperation in Government Investigations

DTI employees and associates are required to cooperate with any government agency conducting an investigation into DTI's business operations and are required to comply with reasonable requests for information and documentation. If you are unsure whether a request for information and documentation is reasonable, you should refer the investigator to the Chief Financial Officer. If a government agency arrives on DTI property without warning, you are required to immediately inform your supervisor, manager, or the Chief Financial Officer. Do not, however, under any circumstances prevent government officials from entering DTI's premises. If you are approached by a government official while at work, remain calm and give them the same respect as you would to any other visitor or colleague. Please remember that any government officials on DTI property must be accompanied at all times by a DTI representative, especially while inspecting Company property. If you observe an unaccompanied government official on DTI property, you should inform your supervisor or manager immediately.

If a government agency requests an interview with you, consider seeking legal representation. If you are unsure whether or not you should participate in an interview or whether you should seek legal representation, contact the Chief Financial Officer for guidance.

3. Our Working Environment

(a) Safety

DTI's objective is to conduct its operations in a manner that protects the safety of its employees, contractors, suppliers, other business partners, and the public. Accident prevention is everyone's responsibility and DTI employees and associates each have a responsibility not to endanger themselves or others. DTI employees and associates are required to learn the safety procedures relevant to their jobs and conduct any work activity consistent with those procedures. Any DTI employee or associate uncertain of the safety procedures relevant to an activity must seek out a supervisor and be trained in those procedures before beginning the activity. In addition, DTI employees and associates must use safety equipment as required by law, regulation and DTI procedures, the HSE Manual, and all other DTI manuals and/or guidelines. We all have a responsibility to make time for safety, promote continuous development of our safety culture, and speak out against any unsafe behavior or dangerous working conditions.

DTI employees and associates are required to report safety hazards as required by law, regulation, DTI procedures and the HSE Manual, and to report all workplace accidents no matter how minor. Supervisors are responsible for ensuring that DTI complies with workplace accident reporting regulations. DTI employees and associates are required to participate in mandatory safety training and learn emergency procedures for accidents and natural disasters at their work sites. Failure to comply with DTI's safety regulations may endanger you, your co-workers, and third-parties working on or visiting DTI facilities. Violations by any DTI employees or associates of any safety protocol may result in disciplinary action, up to and including termination of employment or service.

(b) Environment

DTI is committed to environmental sustainability. The Company will comply with the environmental laws and policies of the jurisdictions in which it conducts business, and will make environmental issues and concerns an important part of its business decisions and actions.

DTI employees and associates are expected to learn and follow the environmental laws that govern their work sites. DTI employees and associates should also take care to minimize, to the extent reasonable under the circumstances, the adverse impact of operations on the environment.

DTI employees and associates are also expected to learn and follow the procedures and safety standards for handling, disposing, and transporting hazardous materials. To the extent required by law, regulations, DTI procedures and the HSE Manual, DTI employees and associates must respond to and report spills or releases and take appropriate remediation measures to minimize their adverse impact on the environment.

(c) Diversity and Inclusion

DTI welcomes employees and associates from all backgrounds, cultures, and skill sets. We are committed to promoting an open and inclusive working environment in which everyone at DTI is treated with dignity and respect. We value the unique contribution each member of our team provides to the Company, and we are proud of the dynamic combination of talent and resources that constitute the DTI team.

(d) Discrimination

DTI is an equal opportunity employer. The Company prohibits discrimination based on age, race, sex, color, religion, national origin, ancestry, disability (physical or mental), marital status, covered veteran status, genetic information, gender identity, sexual orientation, or any other characteristic protected under local, state, or federal law. This includes unlawful discrimination in hiring decisions, work assignments, promotion, compensation, termination, employee benefits, training, social and recreational activities, or any other aspect of the employer-employee relationship.

(e) Unlawful Harassment

Everyone has the right to work in an environment that is free from unlawful harassment and intimidation, and we strive to make DTI a place where everyone feels welcome and safe. Accordingly, any type of harassment, including sexual harassment, or other abusive conduct based on a characteristic protected by law is strictly prohibited. Prohibited conduct includes, but is not limited to, verbal or physical behavior toward another that is unwelcome and is intended to cause, or has the effect of causing, an intimidating, hostile, abusive, or offensive work environment based on a characteristic protected by law. This includes using text messages, emails, or any other form of written or electronic communication to harass or intimidate others. Likewise, the display of sexually explicit or offensive pictures, videos, or other materials that demean others is expressly prohibited. Intimidating behavior may include, among other things, bullying, excessive use of profanity, aggressive language and actions, threats, and other forms of behavior that are intended to cause or recklessly cause a hostile working environment. Jokes and pranks that are intended to intimidate others are prohibited; even if you think something is harmless, others may find it offensive.

We encourage you to report your concerns if you feel offended or uncomfortable. If you notice a colleague being subjected to unlawful or offensive conduct, you are required to report your concerns directly to the Human Resources Department or through DTI's Whistleblower Hotline described in Section 2(a) of the Code.

(f) Preventing Workplace Violence and Threats

DTI will not tolerate threats or acts of violence toward colleagues, customers, or third-parties, and nothing in the Code is meant to discourage reporting threats or acts of violence directly to law enforcement if the circumstances require. In any case, any employee or associate who becomes aware of a threat or act of violence perpetrated against a member of the DTI team or at a DTI facility is required to report the threat or act to their supervisor or manager and the Human Resources Department as soon as possible. Supervisors and managers must also ensure that such reports are promptly communicated to the Human Resources Department.

(g) Controlled Substances, Drug and Alcohol Use

No employee, associate, or third-party associated with DTI may use, possess, purchase, sell, manufacture, distribute, dispense, conceal, receive, transport or be under the influence of alcohol, illegal drugs, prescription drugs prescribed to another, or any other controlled substance during working hours or at any time at a DTI facility, in a Company vehicle, in Company furnished hotels or housing, or while on Company business. In the case of an employee's or associate's use of a properly prescribed drug, DTI reserves the right, after providing a copy of the essential functions of the employee's or associate's job to the employee, to require the employee or associate to provide documentation from the prescribing medical doctor that the use of such prescription produces no hazardous or unsafe effects that would affect the employee's or associate's ability to perform the essential functions of the employee's or associate's job.

DTI may restrict the employee's or associate's work activity, presence at a DTI facility, or the operation of Company vehicles or other equipment until this documentation is provided.

Third parties are also required to ensure that no prohibited substances or alcohol are present at DTI sites or while carrying out work for DTI.

Alcoholic beverages may be served at Company functions and consumed responsibly during business entertainment events. You are expected to exercise good judgment in these situations and comply with applicable DTI policies, including the Code and the HSE Manual. Employees and associates who will be operating a Company vehicle after a Company function or business entertainment event are not permitted to consume any alcoholic beverages during any such function or event. If you are unsure whether alcohol consumption is appropriate at a DTI function or business event, you should ask the Human Resources Department for guidance. Employees who are assigned Company vehicles may never operate a Company vehicle while under the influence of alcohol or any prohibited substance.

(h) Searches and Related Considerations

In order to protect DTI's work environment, the Company reserves the right to conduct searches on its property and to authorize searches by law enforcement on its property, in either case with or without employees or associates being present. As circumstances warrant and as is consistent with applicable law, any person or vehicle entering a DTI facility is subject to search. This includes personal property belonging to the employee and property issued to the employee by DTI.

4. Our Relationship with Customers

(a) Conflicts of Interest

Subject to our Second Amended and Restated Certificate of Incorporation, applicable law, the governing documents of the Company, and other Company policies, DTI employees must avoid any conflict between their personal interests and the interests of the Company, and may not have any outside pecuniary or ownership interest, investment, or business relationship that dilutes their loyalty to the Company. A "conflict of interest" is any situation that prevents or has the potential to prevent an employee from working solely in DTI's best interests. It is not possible to identify every activity that might give rise to a conflict of interest. The most common conflicts of interest arise in the areas of outside business activities, investments, loans, gifts and entertainment, and personal use of corporate opportunities.

Accordingly, all DTI employees are required to report actual or potential conflicts of interest to the Chief Financial Officer, who will review the nature of the relationship and determine whether a conflict of interest exists. Each potential conflict of interest will be evaluated based on the specific facts disclosed, the role of the employee at DTI, and the significance of any other factors deemed relevant by the Chief Financial Officer. Potential conflicts of interest include but are not limited to, the following, subject to applicable law, the governing documents of the Company, and other Company policies:

(i) ***Personal Relationships***. Close personal relationships that may improperly influence or appear to improperly influence your business decisions are to be disclosed. Subject to applicable law, the governing documents of the Company, and other Company policies, you must not knowingly provide an improper personal benefit to any family member, an organization your family member is affiliated with, or others you have a close financial relationship with, and you should avoid personal relationships with vendors, suppliers, customers, competitors, or anyone else that appears to create a conflict between the Company's interests and your personal interests.

(ii) ***Outside Employment and Civic Activities***. Unless approved in advance by the Chief Financial Officer, no DTI employee may undertake employment with, serve as a director or trustee of, or serve as a consultant to any organization that does business, seeks to do business, or competes with DTI. DTI employees are to self-disclose when an immediate family member (child, parent, spouse, sibling, grandparent, grandchild, or corresponding in-law or "step" relation) is employed by, is a director or trustee of, owns in full or in part, is in partnership with, or is a consultant to any person or organization that does business, seeks to do business, or competes with DTI. Furthermore, unless approved in advance by the Chief Financial Officer, DTI employees may not participate in or otherwise influence the decision-making processes of any such organization. For clarity, except as otherwise stated by the Chief Financial Officer, the restrictions set forth in this Section 4(a)(ii) do not apply to DTI associates.

(iii) ***Financial***. If you own a business or have a financial interest in another business enterprise that seeks to do business with DTI, or is in competition with DTI, you may have a conflict of interest. Stock ownership in a publicly traded company may or may not constitute a conflict of interest. If you are unsure whether or not a conflict exists, you should disclose the business or financial interest to the Chief Financial Officer.

(iv) ***Corporate Opportunities***. Business opportunities that come to your attention because of your position or relationship with DTI belong to the Company first. Subject to applicable law, the governing documents of the Company, and other Company policies, you must not take any such opportunities for yourself or offer them to unaffiliated companies, friends or relatives unless the Company has rejected the opportunity in writing, and you would not otherwise be in violation of the Code by taking the opportunity.

(v) ***Service on Other Boards***. Approval of DTI's Board of Directors is required before you can serve as a director, trustee, or in a similar capacity for a privately owned for-profit entity. Service on the board of another publicly traded company is discouraged but approval can be sought from DTI's Board of Directors.

(vi) ***Charitable Giving***. Donations and contributions can cause conflicts of interest if they do not align with DTI's broader initiatives, values, or charitable contributions. Any charitable donations or contributions made on behalf of DTI with a fair market value equal to or greater than $5,000.00 must be approved in advance by the Chief Financial Officer.

(vii) ***Political Activities***. You may participate in political activity and make political contributions. However, you must always make clear that your political affiliations are your own and not those of DTI.

(b) Related Party Transactions

All DTI directors, director nominees, and executive officers have a responsibility to identify and report, to the best of their knowledge and after reasonable inquiry, any business and financial affiliations involving themselves or their immediate family members that could reasonably be expected to give rise to a related party transaction. All DTI directors, director nominees, and executive officers must promptly notify the Audit Committee of the facts and circumstances of any such transactions. All related party transactions are to be approved by the Audit Committee. The Audit Committee will review all potential related party transactions for approval and consider all relevant facts and circumstances of such transactions.

If the Audit Committee learns of a transaction that has not been previously approved or ratified, it may ratify, amend, or terminate the transaction or, if the transaction is completed, rescind the transaction if feasible and assess if any disciplinary action is appropriate. All DTI directors, director nominees, and executive officers are required to review DTI's Related Party Transaction Policy regarding prohibited transactions and their responsibilities under that policy.

(c) Public Disclosure of Material Nonpublic Information

This Section 4(c) of the Code should be read in conjunction with and is qualified in its entirety by DTI's Regulation Fair Disclosure Policy, which all DTI employees and associates are required to read prior to their employment with or engagement by DTI.

DTI is committed to the disclosure of material information on a non-selective basis and without advantage to us, our friends and family, or "securities market participants."[1] DTI provides public disclosure of information through various means, including through reports filed with or furnished to the Securities and Exchange Commission ("**SEC**"), press releases, and other methods of disclosure that are reasonably designed to provide broad, non-exclusionary distribution of the information to the public. It is the Company's policy to comply with all periodic reporting and disclosure requirements, and to disclose material information about the Company in a public, timely, and non-selective manner.

Information is "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security or where the fact is likely to have a significant effect on the market price of a security. Both positive and negative information may be material. This includes a range of subjects, including, but not limited to, the Company's current or expected operating performance, acquisitions and strategic transactions, and changes in management. Information is considered public if it has been provided to the public and sufficient time has passed to allow the market to digest and adjust to the information. Communications in the ordinary course of business with clients, business parties, or the press are generally not considered material non-public information. Please refer to DTI's Regulation Fair Disclosure Policy for a comprehensive discussion of possible material information and events.

To ensure that we uphold our commitment to communicate information to the public in an open and consistent manner, a limited number of DTI representatives are permitted to release information to the public. Unless granted permission, only the Chairperson of the Board of Directors ("**Chairperson**"), Chief Executive Officer and Chief Financial Officer shall have authority to communicate on the Company's behalf. In addition, the Chief Financial Officer shall have authority to communicate with shareholders in response to inquiries regarding shareholder accounts and other administrative matters.

Violating fair disclosure requirements could result in enforcement action by the SEC. Any violation of DTI's Regulation Fair Disclosure Policy or this Section 4(c) of the Code by any employee or associate of the Company shall be brought to the attention of the Chief Financial Officer and may constitute grounds for termination of employment or service. If an employee or associate believes that a violation of DTI's Regulation Fair Disclosure Policy or this Section 4(c) of the Code has occurred, that person should immediately contact the Chief Financial Officer.

[1] The term "securities market participants" means (i) securities market professionals, including analysts, brokers, investment advisors, institutional investment managers, dealers, and investment companies; (ii) shareholders of the Company who may reasonably be expected to purchase or sell the Company's securities based upon any material nonpublic information; and (iii) persons associated with any of the persons identified in clauses (i) or (ii) above.

(d) Insider Trading

Illegal insider trading violates DTI's policies. As explained in further detail in DTI's Insider Trading Policy, DTI employees or associates who possess material non-public information ("**inside information**"), as a result of their relationship with DTI, regarding DTI or any company with which we do business or with which we compete, are prohibited from:

(1) trading in the applicable company's securities while in possession of the inside information;

(2) using the inside information for their own advantage or the advantage of others; or

(3) "tipping" others who may buy or sell securities using the inside information.

Illegal insider trading is a crime, the punishment for which can include severe civil and criminal penalties for individuals as well as the Company.

All DTI employees and associates must read and understand DTI's Insider Trading Policy in conjunction with this Section 4(d) of the Code.

(e) Gifts and Entertainment

DTI requires the use of good judgment when giving or accepting gifts, entertainment, and other hospitality, including golf, hunting or fishing trips or outings; tickets to performances or sporting events; services, sponsorships, or charitable contributions; airfare or use of a corporate aircraft; offers of employment; loans; or other special or unusual favors or considerations.

Gifts, entertainment, and hospitality must have a legitimate business purpose, be reasonable and proportionate, and be given openly and transparently. Although reasonable gifts, entertainment, and hospitality may be appropriate in the normal course of business, they should never compromise the integrity of the Company's business relationships.

The giving or accepting of any gifts, entertainment, and other hospitality that creates a feeling of obligation on the part of the recipient is prohibited and is illegal under the laws of most countries, including the United States, regardless of the financial value. Therefore, gifts, entertainment and other hospitality should not:

1. Be solicited;
2. Be offered or accepted during any bidding process (sales or procurement);
3. Be in the form of securities, cash, or cash equivalents (including gift certificates, gift cards, stocks, and savings bonds);
4. Be offered to or accepted by the same recipient with unreasonable frequency;
5. Be inconsistent with customary or accepted business practices;
6. Be offered to influence or reward a particular business decision or action;
7. Be of a nature that would embarrass the Company if publicly disclosed;
8. Be offered to government officials without prior approval from the Chief Financial Officer; or
9. Violate any laws or Company policies.

The following should be used as a guide when giving or accepting any gifts, entertainment, or other hospitality:

1. Do not offer or accept bribes;
2. Do not offer or accept cash or cash equivalents;
3. Do not violate the law;
4. Do not seek personal favors;
5. Do not accept any gifts that obligate the Company to take or refrain from any action; and
6. Do not accept or give anything of value from or to foreign governments, political officials, or candidates for political office without prior approval the Chief Financial Officer.

All gifts, entertainment, and other hospitality must be properly documented and recorded in the Company's books and records. The receipt or remittance of any gift, hospitality, or other consideration valued in excess of $50.00 must be approved by the Chief Financial Officer prior to remittance or acceptance. If circumstances preclude the ability to request such approval prior to the receipt of any gift, hospitality, or other consideration valued in excess of $50.00, the receiving party will notify the Chief Financial Officer of such receipt as soon as is practicable. In the event the Chief Financial Officer determines the acceptance of such gift, hospitality, or consideration in excess of $50.00 was contrary to the Code and/or DTI's Gifts and Entertainment Policy, arrangements will be made to return the gift, entertainment, or other consideration, or reimburse the issuer for the gift, entertainment, or other consideration.

Any questions regarding the giving or accepting of any gifts, entertainment, and other hospitality should be directed to the Chief Financial Officer.

(f) Acceptable Use of the Internet and Social Media

DTI employees and associates must always use the internet responsibly, whether for personal or work-related matters. Sharing confidential customer or Company information on the internet is prohibited and individuals who disclose such information will be subject to disciplinary action, up to and including termination of employment or service. Use of social networks to disclose material nonpublic information is considered selective disclosure and violates Company policy (please refer to DTI's Regulation Fair Disclosure Policy and Section 4(c) of the Code for more details).

Social media platforms, including Facebook, Twitter, Instagram, and LinkedIn, have changed the way we communicate with one another and the world at large. It can be easy to forget that information posted on a social media platform can reach hundreds, thousands, and even millions of people. What we publish externally reflects on the entire company. Any profile and related content that we post on personal or social networking web sites must be consistent with how we are expected to present ourselves to customers and colleagues as DTI employees. As such, all DTI employees and associates should exercise good judgment and act responsibly when posting comments and photographs on social media, and when sharing or replying to others' posts. Posting information about customers or otherwise sharing customer information is prohibited. If expressing political views or other opinions, you must assert that the opinions are your own and not affiliated with DTI. Do not use your DTI email address to register any social media accounts unless such use is authorized by the Company. Social media use should be limited to personal time and DTI reserves the right to monitor internet use as far as such monitoring activity is permitted by law. Social media posts or content that violate the Company's policies prohibiting discrimination and harassment may be grounds for disciplinary action, up to and including termination. We encourage you to keep your social media accounts private.

(g) Political Activity and Lobbying

Federal law bars U.S. corporations from making political contributions in connection with U.S. federal elections. DTI funds are not to be used for political contributions in the United States or abroad unless permitted by law and approved by the Audit Committee. DTI employees and associates who participate in political campaigns must ensure that their activities cannot be deemed to be conducted on behalf of DTI or result in the perception that illegal contributions have been made on behalf of DTI. Although you are encouraged to participate in the political process during your personal time, any personal involvement or contributions to a political party, committee, or candidate are individual decisions and should not be affiliated with DTI in any way.

(h) Communication with Customers

It is imperative that we protect DTI's reputation for integrity and world-class customer service. Therefore, we must maintain a high standard of communication with our customers and stakeholders, provide consistent information, and refer inquiries to the appropriate team or individual.

You must always be honest with DTI customers about our services and capabilities – we should not make promises that we cannot keep. You should treat customers with respect and dignity, as if they are a part of the DTI team. Do not take unfair advantage of, try to conceal information from, or mislead customers.

5. Our Company

(a) Financial Reporting and Disclosure

As a publicly traded company, we are required by law to record all transactions, assets, and liabilities in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**"). To comply with GAAP, all information entered in our books, records, and accounts must be supported by sufficient documentation. No transaction, asset, liability, or reimbursement request should be structured or recorded in a way that is intended to deceive or circumvent DTI's internal controls or record keeping processes. All transactions, assets, and liabilities must be recorded in a timely fashion, made in accordance with applicable laws and regulations, and authorized by DTI management.

DTI must provide accurate and timely financial statements, filings, and communication to the SEC, Nasdaq, and certain governmental authorities as provided by law. Failure to provide accurate and timely filings may result in regulatory enforcement actions or criminal prosecutions. The Company's public statements, including press releases, reports, and financial communications, should not contain any untrue statements of material fact, or omit material facts required to be stated therein necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading. Any attempt to mislead the public may result in criminal prosecution.

(b) Code of Ethics for Senior Executive Officers

We define our "**Senior Executive Officers**" to include our Chairperson, Chief Executive Officer and Chief Financial Officer, together with any other persons designated as Senior Executive Officers by our Board of Directors from time to time. Our Senior Executive Officers comprise our management team, and their honesty, integrity and sound judgment are fundamental to our reputation. Because the professional and ethical conduct of our Senior

Executive Officers is essential to our proper functioning and success, our Senior Executive Officers, in addition to complying with all of the other provisions of the Code, must also comply with the Company's Code of Ethics for Senior Executive Officers, a copy of which is attached hereto as Appendix A. Even if you are not a Senior Executive Officer, we expect all of our employees and associates to adhere to the principles identified in the Company's Code of Ethics for Senior Executive Officers to the extent applicable.

(c) Anti-Money Laundering

DTI is committed to the ongoing global fight against money laundering. Money laundering occurs when illegal proceeds, generated through criminal activity, such as drug dealing, fraud, and terrorism, are converted to funds that appear to have come from a legitimate source. Involvement in money laundering activities is illegal and will damage DTI's reputation. In order to prevent money laundering, compliance-focused due diligence is to be completed before we enter into business agreements with certain third parties. All DTI employees and associates must understand and comply with the money laundering laws applicable to them and the Company. If you have concerns about money laundering at DTI, you must immediately report your concerns directly to the Chief Financial Officer or through the Whistleblower Hotline described in Section 2(a) above. You may also report your concerns to a government agency.

(d) Anti-Bribery and Corruption

Bribery is any corrupt offer, promise, or giving of something of value (including a job offer, cash gift, loan or offer of support to a family member), directly or through a third party, made to improperly influence the decision or act of any person or group, customer, government official, or government, or made to gain an improper advantage for yourself or the Company. DTI will not offer or accept bribes under any circumstances, nor will DTI tolerate any act of bribery or corruption by any employee or associate. Any employee or associate found to have engaged in any acts of bribery or corruption will be subject to disciplinary action, up to and including termination of employment or service. Any acts of bribery or corruption undertaken by a DTI employee or associate may also subject the individual and the Company to severe civil penalties and criminal prosecution. You can never accept a bribe, and if you are unsure if a gift may be viewed as a bribe, you must immediately report the gift and explain your concerns about it the Chief Financial Officer.

(e) Antitrust and Fair Competition

DTI is dedicated to fostering free and open competition, does not engage in practices that may limit competition or violate antitrust laws, and does not seek to gain a business advantage using any illegal or unethical means. If you are concerned that actions within the Company may impede fair competition, you must promptly report your concerns to the Chief Financial Officer. Behaviors that may illegally limit competition or violate antitrust laws include:

1. Agreeing with a competitor to fix prices, boycott a supplier or customer, or not bid on a deal;
2. Sharing confidential Company information with a competitor;
3. Sharing information about employee compensation or benefits; and
4. Quid pro quo agreements with competitors or customers.

Communication with competitors outside of the ordinary course of business may raise concerns about or permanently damage DTI's reputation for fair dealing. Unlawful agreements can take many forms, and are not always the result of formal negotiations or set out in writing. In some cases, casual conversations and non-verbal signals may constitute a violation of antitrust laws and fair dealing regulations. If a competitor begins to speak with you about any of the topics listed above, or about any other subjects that you find suspicious or improper, you must stop the conversation, inform the competitor that you will not engage in further discussions, and report the conversation to the Chief Financial Officer.

(f) Record Creation and Management

Business partners, government officials, shareholders, and the public rely on the accuracy and completeness of our business records and disclosures. Creating and maintaining accurate books and records is critical and helps ensure that DTI remains current with its disclosure and reporting requirements, and in compliance with regulatory and contractual requirements regarding record preservation. Company records include financial reports, records of actions taken or transactions entered into, reports or other writings regarding the corporate decision-making process, electronic messages, data stored on our electronic systems, and other information that relates to the Company or its business. Regardless of form, all Company records must be securely maintained in accordance with the Company's record management policies.

DTI has established and maintains a system of internal controls to identify and prevent acts of fraud, embezzlement, and theft. All DTI employees involved in the Company's record management are responsible for maintaining the internal controls applicable to the spending of Company funds by DTI's employees and associates. Any request for reimbursement must be accompanied by adequate supporting documentation, and members of the DTI team responsible for approving reimbursement requests must use good judgment when determining whether the reimbursement request is legitimate and appropriate in light of the circumstances. The same degree of care also is to be exercised when billing vendors, reviewing invoices, and confirming that materials and services rendered or received are properly reflected on the Company's books and records.

If you are notified that a Company record in your custody is required for a legal matter, you must not destroy or attempt to conceal or alter the record in any way. If you are notified that the preservation of a Company record or database under your control is required by law or court order, you must protect the integrity of that record or database until otherwise instructed by the Chief Financial Officer. Failure to comply with these requirements may result in disciplinary action up to and including termination of employment or service, and could also result in criminal prosecution.

All DTI employees and associates are to be familiar with the Company's record keeping practices and procedures, and are required to promptly report any violations of those procedures in accordance with the procedures set out in Section 2(a) above.

(g) Privacy and Security

In the course of your employment at DTI, you will likely learn of confidential information. Our customers rely on us to keep their information confidential, and you must take care to only disclose customer information to other DTI employees who require the information to complete their work assignments. Customer information should not be disclosed to anyone outside of the Company without prior approval from your manager, supervisor, or the Chief Financial Officer.

You also have a duty to the Company to safeguard and protect against the unauthorized disclosure of confidential or proprietary information belonging to DTI. Company information should not be disclosed to anyone outside of the Company, unless you are instructed to do so by your manager, supervisor, or the Chief Financial Officer. In the event you receive a request for confidential or proprietary Company information from a third party, you must inform the Chief Financial Officer of the request and avoid communicating with the person who made the request without permission from the Chief Financial Officer.

Any request for the personal information of an employee of DTI must be directed to the Human Resources Department.

(h) Protection of Company Property, Assets and Data

All DTI employees and associates have a responsibility to protect the Company's property and assets and ensure their careful and legitimate use. The Company's tangible assets include financial resources, equipment, vehicles, tools, materials, and office supplies. The Company's intangible assets include corporate strategy, propriety information, intellectual property, customer information, and financial information. Any activities involving the theft, waste, or abuse of Company property or assets are strictly prohibited. DTI's property and assets are intended for business use, and use by employees for personal purposes must be appropriate and should be limited. Employees are expected to work efficiently during working hours, and to use the resources provided appropriately.

DTI employees are also required to protect the Company's intellectual property, which includes our patents, trademarks, trade secrets and copyrights. Any unauthorized disclosure or misuse of Company intellectual property, both during and after your employment or service, could be harmful to us and our customers. The unauthorized disclosure or misuse of Company intellectual property can lead to disciplinary action, up to and including termination of employment or service. We may also take legal action to protect the unauthorized use or disclosure of our intellectual property and proprietary information.

(i) Communication with Shareholders

We are committed to facilitating an open and fair dialogue between our shareholders and our Board of Directors, subject to certain conditions and in accordance with applicable rules and regulations. For more information regarding communications between our shareholders and our Board of Directors, please refer to DTI's Regulation Fair Disclosure Policy.

(j) Communications with Press and Others

Before speaking with the press, securities analysts, other members of the financial community, shareholders, or groups of organizations as a DTI representative, you must secure authorization from the Chief Financial Officer. Any inquiries from the media or the public should be immediately forwarded to the Chief Financial Officer. Requests for information from governmental agencies or law enforcement must be promptly referred to the Chief Financial Officer, and requests for financial or other information about the Company from the financial community or shareholders must promptly be referred to the Chief Financial Officer.

(k) Waivers

Situations may arise from time to time that warrant a formal waiver of a provision of the Code for an individual. Waivers will not be granted except where necessary, and will be limited and qualified as necessary to protect the Company and our shareholders to the greatest extent possible. Waivers, with respect to executive officers or directors, are to be granted by DTI's Board of Directors. We will promptly disclose any such waivers for directors and executive officers to the extent and in the manner required by applicable law, regulation, or stock exchange listing standard. If you believe that you are entitled to a waiver of any provision of the Code, contact the Chief Financial Officer for additional information regarding the waiver application and approval process.

6. Contact Information

If you have any questions regarding the Code or its application, you are encouraged to contact DTI's Chief Financial Officer or the Human Resources Department, using the contact information listed below.

Chief Financial Officer

Drilling Tools International Corporation
3701 Briarpark Dr., Ste 150
Houston, TX 77042
David.Johnson@drillingtools.com
(832) 742-8500

Human Resources Department

Drilling Tools International Corporation
c/o Human Resources Department
3701 Briarpark Dr., Ste 150
Houston, TX 77042
veda.ragsdill@drillingtools.com
(832) 742-8500

CERTIFICATION OF COMPLIANCE

RETURN BY [ ] [insert return deadline]

TO: David Johnson, Chief Financial Officer

FROM: _____

RE: CODE OF BUSINESS CONDUCT OF DRILLING TOOLS INTERNATIONAL CORPORATION.

I have received, reviewed and understand the above-referenced Code of Business Conduct and undertake, as a condition to my present and continued employment (or, if I am not an employee, affiliation) with Drilling Tools International Corporation, to comply fully with the policies and procedures contained therein.

I hereby certify that, to the best of my knowledge, during any current or prior period of my employment (or, if I am not an employee, affiliation) with Drilling Tools International Corporation, I have complied fully with all policies and procedures set forth in the above-referenced Code of Business Conduct and am currently in full compliance with all such policies and procedures.

I am unaware of any violations or suspected violations of the Code of Business Conduct by any other employee or affiliate of Drilling Tools International Corporation.

I agree to immediately report to the Chief Financial Officer any circumstances giving rise to my reasonable belief that:

- A violation or suspected violation of the Code of Business Conduct by any person has or may have occurred;
- I have, or any member of my family has or may have, any interest or engaged in any activity that violates the letter or the spirit of the Code of Business Conduct;
- I am, or any member of my family is or may be, contemplating an activity or acquisition that could be in violation of the Code of Business Conduct.

_____ _____

SIGNATURE DATE

_____

TITLE

Appendix A: Code of Ethics for Senior Executive Officers

General Purpose

In addition to being bound by all provisions of the Code of Business Conduct of Drilling Tools International Corporation ("DTI" or the "Company"), the Company's Senior Executive Officers are subject to the following additional specific policies (collectively referred to as the "Code of Ethics"). The Code of Ethics is essential to the financial reporting process, reputation and success of the Company.

For purposes of the Code of Ethics, we define our "Senior Executive Officers" to include the chairperson of our Board of Directors, our Chief Executive Officer and Chief Financial Officer, together with any other persons designated as Senior Executive Officers by our Board of Directors (the "Board") from time to time. The Company's Senior Executive Officers hold an important and elevated role in DTI's corporate governance in that they are uniquely capable and empowered to ensure that all stakeholders' interests are appropriately balanced, protected and preserved. Because of this special role, the Senior Executive Officers agree to be bound by this Code of Ethics.

Policy Statement

To the best of their knowledge and ability, the Senior Executive Officers each agree that he or she shall:

1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely and understandable disclosure in reports and documents that DTI files with, or submits to, government agencies and in other public communications.
3. Comply with applicable laws, rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
4. Avoid (i) using company property, information or position for personal gain and (ii) competing with the Company.
5. Promote the prompt internal reporting of potential violations or concerns related to the Code of Business Conduct or this Code of Ethics to the Chair of the Audit Committee and/or the appropriate individuals identified in the Code of Business Conduct, as applicable.
6. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his or her independent judgment to be subordinated.
7. Respect the confidentiality of information acquired in the course of his or her work, except when authorized or otherwise legally obligated to disclose it.
8. Share knowledge and maintain skills important and relevant to stakeholders' needs.
9. Proactively promote and be an example of ethical behavior as a responsible partner among peers in the work environment and the community.
10. Protect and promote the efficient use and control of all assets and resources employed or entrusted to them.

Policy Application

All Senior Executive Officers are expected to adhere to this Code of Ethics and all other applicable Company policies. Any violations of this Code of Ethics shall be reported in accordance with the procedures set forth in the Company's Employee Complaint Procedures for Accounting and Auditing Matters. If any Senior Executive Officer is found to be in violation of this Code of Ethics, such person will be subject to disciplinary action, up to and including termination of employment or service. It is against the Company's policy to retaliate against any employee for good faith reporting of violations of this Code of Ethics.

Policy Administration

The Board (or, if permitted under applicable Securities and Exchange Commission ("SEC") and Nasdaq Marketplace Rules, the Audit Committee) shall have the sole discretionary authority to approve any deviation or waiver from this Code of Ethics. Any change of this Code of Ethics, or any waiver and the grounds for such waiver for a Senior Executive Officer, must be publicly disclosed promptly in the manner specified by SEC rules.

Exhibit 16.1

June 26, 2023

Office of the Chief Accountant
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
United States of America

Ladies and Gentlemen:

We have read Drilling Tools International Corporation (formerly known as ROC Energy Acquisition Corp.) statements included under Item 4.01 of its Form 8-K dated June 26, 2023. We agree with the statements concerning our Firm under Item 4.01, in which we were informed of our dismissal on June 16, 2023. We are not in a position to agree or disagree with other statements contained therein.

Very truly yours,

/s/ WithumSmith+Brown, PC

New York, New York

Exhibit 21.1

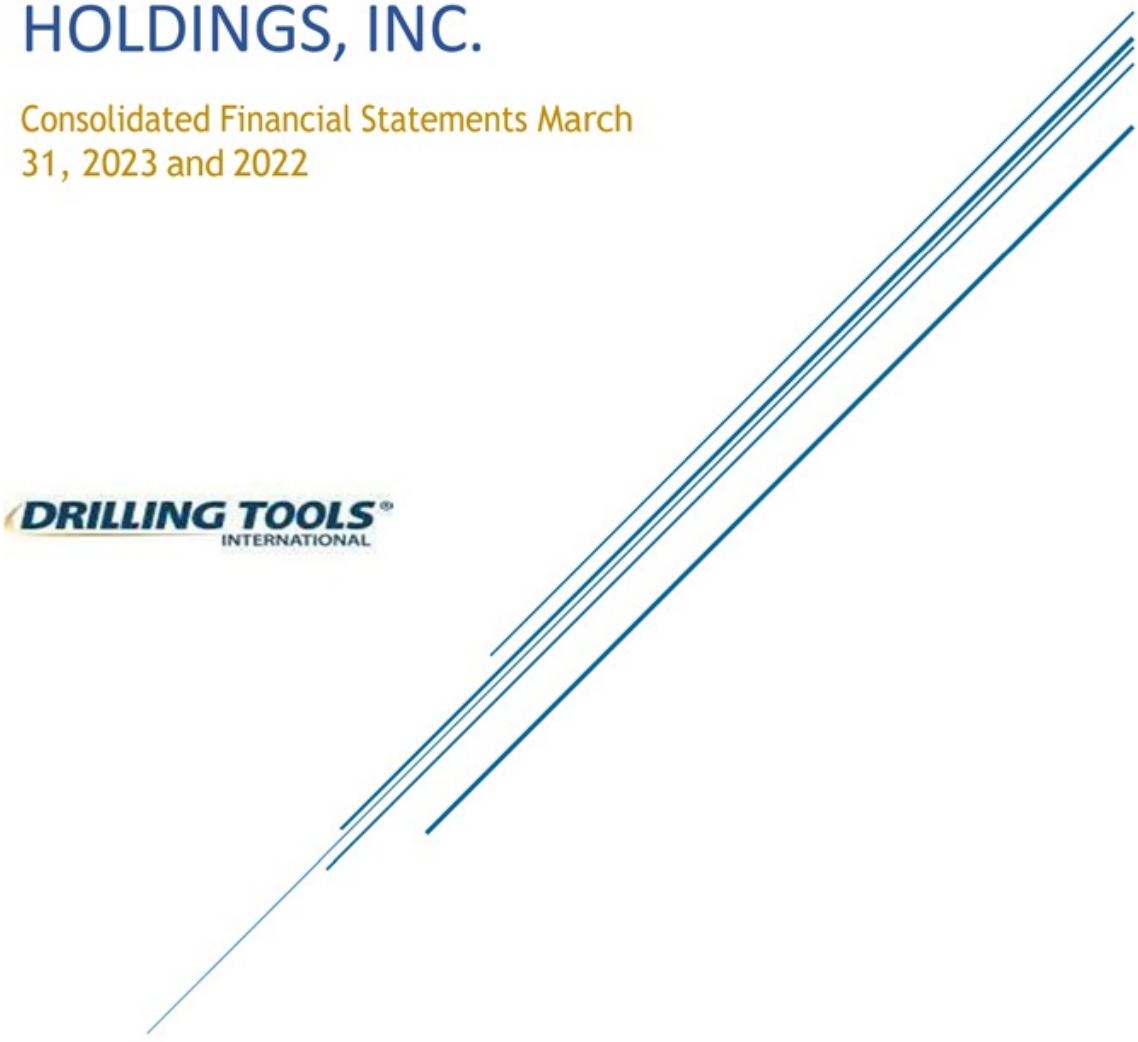
DRILLING TOOLS INTERNATIONAL CORPORATION

List of Subsidiaries

Name of Subsidiary	State of Incorporation
Data Automation Technology LLC (f/k/a Downhole Inspection Solutions LLC)	Texas
Downhole Inspection Solutions LLC (f/k/a DH Inspection Solutions, LLC)	Texas
Drilling Tools International Corp.	Canada
Drilling Tools International Holdings, Inc. (f/k/a Directional Rentals Holdings, Inc.)	Delaware
Drilling Tools International, Inc. (f/k/a Directional Rentals, Inc.)	Louisiana
Drilling Tools Services, Inc.	Delaware
Premium Tools LLC	Delaware
Reamco, Inc.	Louisiana
Slick Tools International LLC (f/k/a Stinger Oil Tools, LLC)	Texas

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.

Consolidated Financial Statements March 31, 2023 and 2022



3701 Briarpark Drive, Suite 150 Houston, TX USA 77042 (832) 742-8500 www.drillingtools.com

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)	March 31, 2023 (unaudited)	December 31, 2022
ASSETS		
Current assets		
Cash	$ 820	$ 2,352
Accounts receivable, net	30,339	28,998
Inventories, net	4,723	3,281
Prepaid expenses and other current assets	3,665	4,381
Investment - equity securities, at fair value	1,110	1,143
Total current assets	40,657	40,155
Property, plant and equipment, net	49,175	44,154
Operating lease right-of-use asset	20,257	20,037
Intangible assets, net	251	263
Deferred financing costs, net	207	226
Deposits and other long-term assets	386	383
Total assets	$ 110,933	$ 105,218
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 13,046	$ 7,281
Accrued expenses and other current liabilities	7,611	7,299
Current portion of operating lease liabilities	3,537	3,311
Revolving line of credit	10,896	18,349
Total current liabilities	35,090	36,240
Operating lease liabilities, less current portion	16,739	16,691
Deferred tax liabilities, net	4,301	3,185
Total liabilities	56,130	56,116
Commitments and contingencies (See Note 13)		
Redeemable convertible preferred stock		
Series A redeemable convertible preferred stock, par value $0.01; 30,000,000 shares authorized, 20,370,377 shares issued and outstanding at March 31, 2023 and December 31, 2022	18,192	17,878
Shareholders' equity		
Common stock, par value $0.01; 65,000,000 shares authorized, 53,175,028 shares issued at March 31, 2023 and December 31, 2022 and 52,363,872 shares outstanding at March 31, 2023 and December 31, 2022	532	532
Additional paid-in-capital	52,476	52,790
Accumulated deficit	(15,353)	(21,054)
Less treasury stock, at cost; 811,156 shares at March 31, 2023 and December 31, 2022	(933)	(933)
Accumulated other comprehensive loss	(111)	(111)
Total shareholders' equity	36,611	31,224
Total liabilities, redeemable convertible preferred stock and shareholders' equity	$ 110,933	$ 105,218

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

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(unaudited)

(In thousands, except share and per share amounts)	Three Months ended March 31, 2023	2022
Revenue, net:		
Tool rental	$ 32,276	$ 20,417
Product sale	8,523	5,560
Total revenue, net	40,799	25,977
Operating cost and expenses:		
Cost of tool rental revenue	8,137	6,315
Cost of product sale revenue	1,303	1,151
Selling, general, and administrative expense	18,423	12,235
Depreciation and amortization expense	5,015	5,076
Total operating costs and expenses	32,878	24,777
Operating income (loss)	7,921	1,200
Other (expense) income:		
Interest income (expense)	(573)	216
Gain on sale of property	69	5
Unrealized gain (loss) on equity securities	(33)	410
Other income (expense)	40	(69)
Total other (expense) income, net	(497)	562
Income before income tax (expense)	7,424	1,762
Income tax (expense)	(1,723)	(429)
Net income	$ 5,701	$ 1,333
Basic earnings per share	$ 0.10	$ 0.02
Diluted earnings per share	$ 0.07	$ 0.02
Basic weighted-average common shares outstanding	52,363,872	52,363,872
Diluted weighted-average common shares outstanding	77,145,236	77,145,236
Comprehensive income:		
Net income	$ 5,701	$ 1,333
Foreign currency translation adjustment, net of tax	—	(75)
Net comprehensive income	$ 5,701	$ 1,258

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

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY
(unaudited)

	Redeemable Convertible Preferred Stock		Common Stock		Treasury Stock					
(In thousands, except share and per share amounts)	Shares	Par Value $0.01 Per Share	Shares	Par Value $0.01 Per Share	Shares	Cost	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
BALANCE, December 31, 2021	20,370,377	$ 16,689	53,175,028	$ 532	(811,156)	$(933)	$ 53,979	$ (42,134)	$ (284)	$ 11,160
Accretion of redeemable convertible preferred stock to redemption value		294					(294)			(294)
Foreign currency translation adjustment, net of tax									(75)	(75)
Net income								1,333		1,333
BALANCE, March 31, 2022	20,370,377	$ 16,983	53,175,028	$ 532	(811,156)	$(933)	$ 53,685	$ (40,801)	$ (359)	$ 12,124

	Redeemable Convertible Preferred Stock		Common Stock		Treasury Stock					
(In thousands, except share and per share amounts)	Shares	Par Value $0.01 Per Share	Shares	Par Value $0.01 Per Share	Shares	Cost	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
BALANCE, December 31, 2022	20,370,377	$ 17,878	53,175,028	$ 532	(811,156)	$(933)	$ 52,790	$ (21,054)	$ (111)	$ 31,224
Accretion of redeemable convertible preferred stock to redemption value		314					(314)			(314)
Foreign currency translation adjustment, net of tax									—	—
Net income								5,701		5,701
BALANCE, March 31, 2023	20,370,377	$ 18,192	53,175,028	$ 532	(811,156)	$(933)	$ 52,476	$ (15,353)	$ (111)	$ 36,611

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

DRILLING TOOLS INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands)	Three months ending March 31, 2023	2022
Cash flows from operating activities:		
Net income	$ 5,701	$ 1,333
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	5,015	5,076
Amortization of deferred financing costs	19	55
Amortization of debt discount	—	17
Amortization of operating leases	(220)	910
Bad debt expense	334	56
Deferred tax expense (benefit)	1,116	160
Gain on sale of property	(69)	(5)
Unrealized (gain) loss on equity securities	33	(410)
Unrealized (gain) loss on interest rate swap	105	(711)
Gross profit from sale of lost-in-hole equipment	(4,535)	(2,270)
Changes in operating assets and liabilities:		
Accounts receivable	(1,675)	(790)
Prepaid expenses and other current assets	713	89
Inventories, net	(1,442)	(1,338)
Operating lease liabilities	274	(933)
Accounts payable	5,765	(132)
Accrued expenses	207	903
Net cash from operating activities	11,341	2,010
Cash flows from investing activities:		
Proceeds from sale of property	80	5
Purchase of property, plant and equipment	(10,815)	(3,566)
Proceeds from sale of lost-in-hole equipment	5,315	2,851
Net cash from investing activities	(5,420)	(710)
Cash flows from financing activities:		
Proceeds from revolving line of credit	34,043	21,164
Payments on revolving line of credit	(41,496)	(23,695)
Payments to capital leases	—	(6)
Net cash from financing activities	(7,453)	(2,537)
Effect of Changes in Foreign Exchange Rate	—	(75)
Net Change in Cash	(1,532)	(1,312)
Cash at Beginning of Year	2,352	52
Cash at End of Year	$ 820	$ (1,260)
Supplemental cash flow information:		
Cash paid for interest	$ 444	$ 436
Non-cash investing and financing activities:		
ROU assets obtained in exchange for lease liabilities	$ 2,516	$ 149
Undeclared dividends	$ 314	$ 294

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

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Drilling Tools International Holdings, Inc. (the "Company") is a Delaware corporation formed January 2012. The Company manufactures, rents, inspects, and refurbishes downhole drilling tools primarily to companies in the oil and natural gas industry for bottom hole assemblies used in onshore and offshore horizontal and directional drilling. The Company's United States ("U.S.") operations have locations in Texas, California, Louisiana, Oklahoma, Pennsylvania, North Dakota, New Mexico, Utah, and Wyoming. The Company's international operations are located in Canada. Operations outside the U.S. are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws and possible limitations on foreign investment. The Company does not engage in hedging activities to mitigate its exposure to fluctuations in foreign currency exchange rates.

On February 13, 2023, the Company entered into a merger agreement (the "Merger Agreement") with ROC Energy Acquisition Corp ("ROC"), a special purpose acquisition company, and ROC Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of ROC ("Merger Sub"). Pursuant to the Merger Agreement, Merger Sub will merge with and into the Company with the Company surviving the merger (the "Merger"). As a result of the Merger, the Company will become a wholly-owned subsidiary of ROC, with the stockholders of the Company becoming stockholders of ROC. The transaction will be a combination of cash and equity consideration.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. However, the Company believes that the disclosures contained within these interim consolidated financial statements comply with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended for interim consolidated financial statements and are adequate to make the information presented not misleading. The interim consolidated financial statements included herein reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this proxy statement/prospectus for the year ended December 31, 2022. The consolidated statement of operations and comprehensive income for the three months ended March 31, 2023 is not necessarily indicative of the results to be anticipated for the entire year ended December 31, 2023 or thereafter. All references to March 31, 2023 and 2022 in the notes to the interim consolidated financial statements are unaudited.

COVID-19 Related Credits and Relief

As a response to the COVID-19 outbreak, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") provided an Employee Retention Credit ("ERC") which is a refundable tax credit against certain employment taxes equal to 50% of qualified wages paid, up to $10,000 per employee annually for wages paid. Additional relief provisions were passed by the United States government, which extended and expanded the qualified wage caps on these credits to 70% of qualified wages paid, up to $10,000 per employee per quarter, through September 30, 2021. In November 2021, the Infrastructure Investment and Jobs Act was signed into law and ended the employee retention credit early, making wages paid after December 31, 2021, ineligible for the credit.

ERC benefits of $4.3 million were included in selling, general, administrative expense as an offset to the related compensation expenses in the consolidated statements of operations and comprehensive income for the period

ended December 31, 2022. ERC benefits receivable of $2.1 million were included in prepaid expenses and other current assets in the accompanying consolidated balance sheet as of December 31, 2022. The Company received all ERC benefits receivables in January 2023, resulting in the ERC benefits receivable balance to be nil as of March 31, 2023.

Laws and regulations concerning government programs, including the ERC, are complex and subject to varying interpretations. Claims made under these programs may also be subject to retroactive audit and review. While the Company does not believe there is a basis for estimation of an audit or recapture risk at this time, there can be no assurance that regulatory authorities will not challenge the Company's claim to the ERC in a future period.

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act ("JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard, until such time the Company is no longer considered to be an emerging growth company. At times, the Company may elect to early adopt a new or revised standard. As such, the Company's financial statements may not be comparable to companies that comply with public company effective dates.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in the Company's consolidated financial statements and accompanying notes as of the date of the consolidated financial statements. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Estimates are used for, but not limited to, unbilled accounts receivable, allowance for doubtful accounts, write-down for excess and obsolete inventories, asset lives for property and equipment, fair value of derivatives, and impairment of tangible and intangible assets. Actual results may differ materially and adversely from these estimates. In the current macroeconomic and business environment affected by COVID-19, the Russia-Ukraine conflict and inflationary pressures, these estimates require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, these estimates may change materially in future periods.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Drilling Tools Services, Inc., Drilling Tools International, Inc., Reamco, Inc., Downhole Inspection Solutions, LLC, Premium Tools LLC, Slick Tools International, LLC (formerly, Stinger Oil Tools, LLC), Data Automation Technology LLC, and Drilling Tools International Corporation (Canada). All intercompany accounts and transactions have been eliminated on consolidation.

Foreign Currency Translation and Transactions

The Company has determined that the functional and reporting currency for its operations across the globe is the functional currency of the Company's international subsidiaries. Accordingly, all foreign balance sheet accounts have been translated into U.S. dollars using the rate of exchange at the respective balance sheet date. Components of the consolidated statements of operations and comprehensive income have been translated at the average

rates for the year of the reporting period. Translation gains and losses are recorded in accumulated other comprehensive income as a component of stockholders' equity. Gains or losses arising from currency exchange rate fluctuations on transactions denominated in a currency other than the local functional currency are included in the consolidated statements of operations and comprehensive income. For the period ended March 31, 2023 and 2022, the aggregate foreign currency translation included in the consolidated statements of operations and comprehensive income totaled approximately nil and $0.1 million in loss, respectively.

Revenue Recognition

The Company recognizes revenue in accordance with Topic 842 (which addresses lease accounting) and Topic 606 (which addresses revenue from contracts with customers). The Company derives its revenue from two revenue types, tool rental services and product sales.

Tool Rental Services

Tool rental services consist of rental services, inspection services, and repair services. Tool rental services are accounted for under Topic 842.

Owned tool rentals represent the most significant revenue type and are governed by the Company's standard rental contract. The Company accounts for such rentals as operating leases. The lease terms are included in the contracts, and the determination of whether the Company's contracts contain leases generally does not require significant assumptions or judgements. The Company's lease revenues do not include material amounts of variable payments. Owned tool rentals represent revenue from renting tools that the Company owns. The Company does not generally provide an option for the lessee to purchase the rented equipment at the end of the lease.

The Company recognizes revenues from renting tools on a straight-line basis. The Company's rental contract periods are daily, monthly, per well, or based on footage. As part of this straight-line methodology, when the equipment is returned, the Company recognizes as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the drilling tool was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, the Company will have customers return the drilling tool and be contractually required to pay the Company more than the cumulative amount of revenue recognized to date under the straight-line methodology.

The Company records the amounts billed to customers in excess of recognizable revenue as deferred revenue on its consolidated balance sheet.

As noted above, the Company is unsure of when the customer will return rented drilling tools. As such, the Company does not know how much the customer will owe the Company upon return of the tool and cannot provide a maturity analysis of future lease payments. The Company's drilling tools are generally rented for short periods of time (significantly less than a year). Lessees do not provide residual value guarantees on rented equipment.

The Company expects to derive significant future benefits from its drilling tools following the end of the rental term. The Company's rentals are generally short-term in nature, and its tools are typically rented for the majority of the time that the Company owns them.

Product Sales

Product sales consist of charges for rented tools that are damaged beyond repair, charges for lost-in-hole, and charges for lost-in-transit while in the care, custody or control of the Company's customers, and other charges for made to order product sales. Product sales are accounted for under Topic 606.

Revenue is recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To

determine revenue recognition for its arrangements with customers, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the revenue standard. The transaction price is measured as consideration specified in a contract with a customer and excludes any sales incentives and taxes or other amounts collected on behalf of third parties. As each of the Company's contracts with customers contain a single performance obligation to provide a product sale, the Company does not have any performance obligations requiring allocation of transaction prices.

The performance obligation for made to order product sales is satisfied and revenue is recognized at a point in time when control of the asset transfers to the customer, which typically occurs upon delivery of the product or when the product is made available to the customer for pickup at the Company's shipping dock. Additionally, pursuant to the contractual terms with the Company's customers, the customer must notify the Company of, and purchase from the Company, any rented tools that are damaged beyond repair, lost-in-hole, or lost-in-transit while in the care, custody or control of the Company's customers. Revenue is recognized for these products at a point in time upon the customer's notification to the Company of the occurrence of one of these noted events.

The Company does not have any revenue expected to be recognized in the future related to remaining performance obligations or contracts with variable consideration related to undelivered performance obligations. There was no revenue recognized in the current period from performance obligations satisfied in previous periods.

Revenue per geographic location

Revenue generated was concentrated within the United States. For the period ended March 31, 2023 and 2022, the revenue generated within the United States was $36.6 million and $ 23.5 million, respectively, or 90% of total revenues, respectively. For the period ended March 31, 2023 and 2022, the revenue generated outside of the United States, in Canada, was $4.2 million and $2.5 million, respectively, or 10% of total revenues, respectively.

Contract Assets and Contract Liabilities

Contract assets represent the Company's rights to consideration for work completed but not billed. As of March 31, 2023 and December 31, 2022, the Company had contract assets of $5.8 million and $4.8 million, respectively. Contract assets were recorded in accounts receivable, net in the accompanying consolidated balance sheets.

Contract liabilities consist of fees invoiced or paid by the Company's customers for which the associated services have not been performed and revenue has not been recognized based on the Company's revenue recognition criteria described above. As of March 31, 2023 and December 31, 2022, the Company did not have any material contract liabilities. All deferred revenue were expected to be recognized during the following 12 months, and they were recorded in accrued expenses and other current liabilities in the accompanying consolidated balance sheets.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company did not have any cash equivalents as of March 31, 2023 and December 31, 2022.

Accounts Receivable, net

The Company's accounts receivable consists principally of uncollateralized amounts billed to customers. These receivables are generally due within 30 to 60 days of the period in which the corresponding sales or rentals occur and do not bear interest. They are recorded at net realizable value less an allowance for doubtful accounts and are classified as account receivable, net on the consolidated balance sheets.

Allowance for Doubtful Accounts

The Company adopted ASU 2016-13, *Financial Instruments - Credit Losses,* on December 31, 2022, which was retroactively applied as of the first day of fiscal year 2022, as further described within the section below titled *Recently Adopted Accounting Pronouncements*. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against receivable balances based on current and historical information.

Expected credit losses for uncollectible receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions considered include pre-defined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

The Company is not party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

As of March 31, 2023 and December 31, 2022, the allowance for doubtful accounts totaled $1.7 million and $1.5 million, respectively.

Inventories, net

Inventories are stated at the lower of cost or net realizable value. Cost is determined by using the specific identification method. Inventory that is obsolete or in excess of forecasted usage is written down to its net realizable value based on assumptions regarding future demand and market conditions. Inventory write-downs are charged to operating costs and establish a new cost basis for the inventory. Inventory includes raw material and finished goods.

Property, Plant and Equipment, net

Property, plant and equipment purchased by the Company are recorded at cost less accumulated depreciation. Depreciation is recorded using the straight-line method based on the estimated useful lives of the depreciable property or, for leasehold improvements, the remaining term of the lease, whichever is shorter. Assets not yet placed in use are not depreciated.

Property, plant and equipment acquired as part of a business acquisition is recorded at acquisition date fair value with subsequent additions at cost.

The cost of refurbishments and renewals are capitalized when the value of the property, plant or equipment is enhanced for an extended period. Expenditures to maintain and repair property, plant and equipment, which do not improve or extend the life of the related assets, are charged to operations when incurred. When property, plant and equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in operations.

Leases

The Company adopted ASC 842, *Leases* (“ASC 842”) as of January 1, 2022 using the modified retrospective transition approach, with no restatement of prior periods or cumulative adjustments to retained earnings. Upon adoption, the Company elected the package of transition practical expedients, which allowed it to carry forward prior conclusions related to whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases and initial direct costs for existing leases. The Company elected the use-of-hindsight to reassess lease term. The Company elected not to recognize leases with an initial term of 12 months or less within the consolidated balance sheets and to recognize those lease payments on a straight-line basis in the consolidated statements of operation over the lease term. The new lease accounting standard also provides practical expedients for an entity’s ongoing accounting. The Company elected the practical expedient to not separate lease and non-lease components for all leases.

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and current operating lease liabilities and operating lease liabilities, net of current portion on the consolidated balance sheets. The Company recognizes lease expense for its operating leases on a straight-line basis over the term of the lease.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from a lease. ROU assets and operating lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Operating lease ROU assets also include the impact of any lease incentives. An amendment to a lease is assessed to determine if it represents a lease modification or a separate contract. Lease modifications are reassessed as of the effective date of the modification using an incremental borrowing rate based on the information available at the commencement date. For modified leases the Company also reassess the lease classification as of the effective date of the modification.

The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate, because the interest rate implicit in the Company's leases is not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located.

The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option in the measurement of its ROU assets and liabilities. The Company considers contractual-based factors such as the nature and terms of the renewal or termination, asset-based factors such as physical location of the asset and entity-based factors such as the importance of the leased asset to the Company's operations to determine the lease term. The Company generally uses the base, non-cancelable, lease term when determining the ROU assets and lease liabilities. The right-of-use asset is tested for impairment in accordance with Accounting Standards Codification Topic 360, *Property, Plant, and Equipment*.

Lessor Accounting

Our leased equipment primarily consists of rental tools and equipment. Our agreements with our customers for rental equipment contain an operating lease component under ASC 842 because (i) there are identified assets, (ii) the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and (iii) the customer directs the use of the identified assets throughout the period of use.

Our lease agreement contract periods are daily, monthly, per well or based on footage. Lease revenue is recognized on a straight-line basis based on these rates. We do not provide an option for the lessee to purchase the rented tools at the end of the lease and the lessees do not provide residual value guarantees on the rented assets.

We recognized operating lease revenue within "tool rentals" on the consolidated statements of operations and comprehensive income.

Intangible Assets

Intangible assets with finite useful lives include customer relationships, trade name, patents, non-compete agreements and a supply agreement. These intangible assets are amortized either on a straight-line basis over the asset's estimated useful life or on a basis that reflects the pattern in which the economic benefits of the intangible are realized.

Accounting for Impairment of Long-lived Asset

Long-lived assets with finite lives include property, plant and equipment and acquired intangible assets. The Company evaluates long-lived assets, including acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds these estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the assets exceeds the fair value of the asset or asset group.

For the period ended March 31, 2023 and 2022, management determined that there was no impairment with regard to their property, plant, and equipment or intangible assets.

Investments - Equity Securities

Equity securities are stated at fair value. Unrealized gains and losses are reflected in the consolidated statements of operations and comprehensive income. The Company periodically reviews the securities for other than temporary declines in fair value below cost and more frequently when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As of the period ended March 31, 2023 and 2022, the Company believes the cost of the securities was recoverable in all material respects.

Redeemable Convertible Preferred Stock

The Company's Series A redeemable convertible preferred stock ("Series A"), which represents the Company's sole class of redeemable convertible preferred stock issued to date, was established on December 28, 2015. Upon establishment of the Series A, the Company issued 20,370,377 shares of Series A for $0.54 per share resulting in aggregate proceeds of $11.0 million.

The Company records shares of its redeemable convertible preferred stock at their respective fair values on the dates of issuance. The Company classifies its redeemable convertible preferred stock outside of permanent equity in mezzanine equity on its consolidated balance sheets as it is redeemable at a fixed date. In accordance with ASC 480-10-S99-3A, the Company recognizes changes in the redemption value of its redeemable convertible preferred stock immediately as they occur and adjusts the carrying amount to redemption value at the end of each reporting period. The Company records accretion of its redeemable convertible preferred stock as a reduction to additional paid-in capital as the Company has an accumulated deficit.

Dividend Rights

Each holder of Series A is entitled to receive cumulative dividends payable at the rate of 7% annually, payable in kind. The dividends accumulate and compound quarterly at the stated dividend rate to the extent they are not paid.

Liquidation Rights

Upon the liquidation, dissolution or winding up of the Company's business, after provision for payment of all debts and liabilities of the Company, any remaining assets of the Company shall be distributed first to the holders of the Series A and then pro rata to the holders of common stock. Each holder of Series A shall be entitled to receive, in full before any distributions or payments out of the assets of the Company, an amount equal to the Series A stated value of $0.54 per share along with an amount equal to all accumulated and unpaid dividends as of the date of payment. As of March 31, 2023 and as of December 31, 2022, the liquidation preference of the redeemable convertible preferred stock was approximately $18.2 million and $17.9 million, respectively.

Redemption

The Company must redeem all outstanding shares of Series A on the earlier of the seventh anniversary, as amended, of the issuance of the shares, or subject to compliance with the Company's credit agreement, such earlier date as is determined by the election of holders of at least two-thirds of the outstanding shares of Series A, or the consummation of a firm commitment underwritten public offering by the Company. The redemption price is payable in cash equal to the original purchase price plus accumulated and unpaid dividends.

Conversion Rights

At any time before redemption, each Series A share is convertible into common stock at the option of the holder at its stated value of $0.54 per share, subject to adjustment for stock splits, stock dividends, combinations of shares, and similar recapitalization transactions.

Voting Rights

Each holder of Series A has a right to vote with a number of votes equal to the number of shares of common stock issuable upon conversion of such holder's Series A at the time such shares are voted. Holders of Series A shall vote together with the holders of common stock (and of any other class or series that may similarly be entitled to vote with the holders of common stock) as a single class on all matters on which holders of common stock are entitled to vote.

Cost of Revenue

The Company recorded all operating costs associated with its product sales and tool rental revenue streams in cost of product sale revenue and cost of tool rental revenue, respectively, in the consolidated statements of operations and comprehensive income. All indirect operating costs, including labor, freight, contract labor and others, are included in selling, general, administrative in the consolidated statements of operations and comprehensive income.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation—Stock Compensation* ("ASC 718"). ASC 718 requires that the cost of awards of equity instruments offered in exchange for employee services, including employee stock options and restricted stock awards, be measured based on the grant-date fair value of the award. The Company adopted FASB ASU No. 2016-09, Compensation – Stock Compensation ("Topic 718"): Improvements to Employee Share-Based Payment Accounting, on February 1, 2019. This ASU involves several aspects of the accounting for stock-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification in the accompanying consolidated statements of cash flows. The adoption did not have a material impact on the accompanying consolidated financial statements of the Company. The Company determines the fair value of stock options granted using the Black-Scholes-Merton option-pricing model ("Black-Scholes model") and recognizes the cost over the period during which an employee is required to provide service in exchange for the award, generally the vesting period, net of estimated forfeitures. Because the Company's common stock is not yet publicly traded, the Company must estimate the fair value of its common stock. The Board of Directors considers numerous objective and subjective factors to determine the fair value of the Company's common stock at each meeting in which awards are approved. The factors considered include, but are not limited to: (i) the results of contemporaneous independent third-party valuations of the Company's common stock; (ii) the prices, rights, preferences, and privileges of the Company's Redeemable Convertible Preferred Stock relative to those of its common stock; (iii) the lack of marketability of the Company's common stock; (iv) actual operating and financial results; (v) current business conditions and projections; (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions; and (vii) precedent transactions involving the Company's shares. The Company did not grant stock options during the year ended December 31, 2022 or during the three months ended March 31, 2023.

Earnings Per Share

Basic earnings per share is computed by dividing the net income by the weighted-average number of common shares outstanding for the period. Diluted earnings is computed by adjusting net income to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted earnings is computed by dividing the diluted net income by the weighted-average number of common shares outstanding for the period, including potential dilutive common stock. For the purposes of this calculation, outstanding stock options and redeemable convertible preferred stock are considered potential dilutive common stock and are excluded from the computation of net loss per share if their effect is anti-dilutive.

The Company's redeemable convertible preferred stock does not contractually entitle its holders to participate in profits or losses. As such, it is not treated as a participating security in periods of net income or net loss.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in consolidated financial statements and consist of taxes currently due plus deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and liabilities.

The Company is subject to state income taxes in various jurisdictions.

The Company follows guidance issued by the FASB in accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the consolidated financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits and upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the consolidated financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. The Company has no uncertain tax positions at March 31, 2023 and December 31, 2022. The Company believes there are no tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within twelve months of the reporting date.

The Company records income tax related interest and penalties, if applicable, as a component of the provision for income tax expense. However, there were no amounts recognized relating to interest and penalties in the consolidated statements of operations and comprehensive income for the period ending March 31, 2023 and 2022.

Derivative Financial Instruments

From time to time, the Company may enter into derivative instruments to manage exposure to interest rate fluctuations. During 2016, the Company entered into an interest swap agreement with respect to amounts outstanding under its revolving line of credit.

This arrangement was designed to manage exposure to interest rate fluctuations by effectively exchanging existing obligations to pay interest based on floating rates for obligations to pay interest based on a fixed rate. These derivatives are marked-to-market at the end of each quarter and the realized/unrealized gain or loss is recorded as interest expense. For the period ended March 31, 2023 and 2022, the Company recognized an unrealized loss due to the change in fair value of its interest rate swap of approximately $0.1 million and an unrealized gain of $0.7 million, respectively in its consolidated statements of operations and comprehensive income.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There is a hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Classification within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The valuation hierarchy contains three levels:

Level 1 – Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.

Level 2 – Valuation inputs are quoted prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets and other observable inputs directly or indirectly related to the assets or liabilities being measured.

Level 3 – Valuation inputs are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Asset and liabilities measured at fair value are summarized as follows (in thousands):

	Assets at Fair Value as of March 31, 2023			
	Level 1	Level 2	Level 3	Total
Investments, equity securities	$ 1,110	$ —	$ —	$ 1,110
Interest rate swap	$ —	$ 371	$ —	$ 371
Total assets at fair value	**$ 1,110**	**$ 371**	**$ —**	**$ 1,481**

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Investments, equity securities	$ 1,143	$ —	$ —	$ 1,143
Interest rate swap	$ —	$ 476	$ —	$ 476
Total assets at fair value	**$ 1,143**	**$ 476**	**$ —**	**$ 1,619**

The Company's interest rate swap is a pay-fixed, receive-variable interest rate swap based on LIBOR swap rate. The LIBOR swap rate is observable at commonly quoted intervals for the full term of the swap and therefore is considered a Level 2 item. For interest rate swaps in an asset position, the credit standing of the counterparty is analyzed and factored into the fair value measurement of the asset. The impact of the Company's creditworthiness has also been factored into the fair value measurement of the interest rate swap in a liability position. For the period ended March 31, 2023 and 2022, the application of valuation techniques applied to similar assets and liabilities has been consistent.

As of March 31, 2023 and December 31, 2022, the interest rate swap is included in prepaid expenses and other current assets on the consolidated balance sheets.

As of March 31, 2023 and December 31, 2022, the Company did not have any Level 3 assets or liabilities.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash, accounts receivable, accounts payable, and long-term debt. The carrying amount of such instruments approximates fair value due to their short-term nature. The carrying value of long-term debt approximates fair value because of the market interest rate of the debt.

Concentration of Credit Risk and Other Risks and Uncertainties

The Company's customer concentration may impact its overall credit risk, either positively or negatively, in that these entities may be similarly affected by changes in economic or other conditions affecting the oil and gas industry.

During the three months ended March 31, 2023, the Company generated approximately 28% of its revenue from two customers. During the three months ended March 31, 2022, the Company generated approximately 25% of its revenue from two customers. Amounts due from these customers included in accounts receivable at March 31, 2023 and December 31, 2022 were approximately $7.8 million and $8.6 million, respectively.

During the three months ended March 31, 2023, the Company had one vendor that represented approximately 11% of its purchases. Amounts due to this vendor included in accounts payable at March 31, 2023 and December 31, 2022 were approximately $3.4 million and $0.9 million, respectively.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents and marketable securities. The Company maintains accounts in federally insured financial institutions in excess of federally insured limits. Management believes the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which these deposits are held and of the money market funds in which these investments are made. The Company holds marketable securities with high credit ratings.

Operating Segment

Operating segments are identified as components of an enterprise about which discrete financial information is available for evaluation by the chief operating decision-maker ("CODM") in deciding resource allocation and assessing performance. The Company's Chief Executive Officer and Chief Financial Officer work together as the CODM. The Company's CODM reviews financial information presented on a consolidated basis for the purposes of making operations decisions, allocating resources and evaluating financial performance. Consequently, the Company has determined it operates in one operating and reportable segment

Recently Issued Accounting Pronouncements Not Yet Adopted

No new accounting pronouncements issued or effective during the three months ended March 31, 2023 had, or are expected to have, a material impact on the Company's consolidated financial statements.

NOTE 2 – INVESTMENTS – EQUITY SECURITIES

The following table shows the cost and fair value of the Company's investments in equity securities (in thousands):

	Cost	Unrealized Gain	Fair Value
March 31, 2023	$999	$ 111	$1,110

	Cost	Unrealized Gain	Fair Value
December 31, 2022	$999	$ 144	$1,143

Unrealized holding loss on equity securities for the three months ended March 31, 2023 was approximately $33 thousand. Unrealized holding gain on equity securities for the three months ended March 31, 2022 was approximately $0.4 million.

NOTE 3 – BALANCE SHEET DETAILS - CURRENT ASSETS AND CURRENT LIABILITIES

Inventories, net

The following table shows the components of inventories, net (in thousands):

	March 31, 2023	December 31, 2022
Raw materials	$ 4,808	$ 3,377
Finished goods	116	115
Total inventories	**4,924**	**3,492**
Allowance for obsolete inventory	(201)	(211)
Inventories, net	**$ 4,723**	**$ 3,281**

Prepaid expenses and other current assets

The following table shows the components of prepaid expenses and other current assets (in thousands):

	March 31, 2023	December 31, 2022
Prepaid expenses:		
ERC benefits receivable	$ —	$ 2,117
Deposits on inventory	1,394	680
Prepaid insurance	129	358
Prepaid rent	408	381
Prepaid equipment	1,269	179
Prepaid other	94	173
Other current assets:		
Interest rate swap asset	$ 371	$ 476
Other	—	17
Total	**$ 3,665**	**$ 4,381**

Accrued expenses and other current liabilities

The following table shows the components of accrued expenses and other current liabilities (in thousands):

	March 31, 2023	December 31, 2022
Accrued expenses:		
Accrued compensation and related benefits	$ 4,197	$ 3,392
Accrued insurance	331	525
Accrued professional services	724	509
Accrued interest	67	62
Accrued property taxes	337	41
Accrued purchase orders	153	—
Other	44	38
Other current liabilities:		
Income tax payable	$ 783	$ 1,780
Sales tax payable	672	587
Unbilled lost-in-hole revenue	288	282
Deferred revenue	15	83
Total accrued expenses and other current liabilities	**$ 7,611**	**$ 7,299**

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT, NET

The following table shows the component of property, plant and equipment, net (in thousands):

	Estimated Useful Lives (in Years)	March 31, 2023	December 31, 2022
Rental tools and equipment	5-10	167,500	160,973
Buildings and improvements	5-40	5,873	5,781
Office furniture, fixtures and equipment	3-5	2,190	2,101
Transportation and equipment	3-5	796	827
Construction in progress		222	9
Total property, plant and equipment		**176,581**	**169,691**
Less: accumulated deprecation		(127,406)	(125,537)
Property, plant and equipment, net		**$ 49,175**	**$ 44,154**

Total depreciation expense for the three months ended March 31, 2023 and 2022 was approximately $5.0 million and $5.1 million, respectively. The Company has not acquired any property, plant and equipment under capital leases.

Property, plant and equipment, net, were concentrated within the United States. As of March 31, 2023 and December 31, 2022, property, plant and equipment, net held within the United States was $47.1 million and $41.8 million, or 96% and 95% of total property, plant and equipment, respectively. As of March 31, 2023 and December 31, 2022, property, plant and equipment, net held outside of the United States, in Canada, was $2.0 million and $2.3 million, or 4% and 5% of total property, plant and equipment, respectively.

NOTE 5 – INTANGIBLE ASSETS, NET

The following table shows the components of intangible assets, net (in thousands):

	Useful Lives (in Years)	March 31, 2023	December 31, 2022
Trade Name	10-13	$ 1,280	$ 1,280
Technology	13	270	270
Total intangible assets		**1,550**	**1,550**
Less: accumulated amortization		(1,299)	(1,287)
Intangible assets, net		**$ 251**	**$ 263**

Total amortization expense for the three months ended March 31, 2023 and 2022 was approximately $12 thousand and $0.1 million, respectively.

NOTE 6 – REVOLVING CREDIT FACILITY

In December 2015, the Company entered into a credit facility with a bank. The facility provides for a revolving line of credit in the original amount of $48.0 million, which is $60.0 million, as amended, at December 31, 2022. For the year ended December 31, 2022 the interest on the amount drawn was based on SOFR or the bank's base lending rate plus applicable margin (approximately 7.42% at December 31, 2022). For the three months ended March 31, 2023, the interest on the amount drawn was based on SOFR or the bank's base lending rate plus applicable margin (approximately 8.34% at March 31, 2023). The credit facility is collateralized by substantially all the assets of the Company and matures December 31, 2025.

The Company is subject to various restrictive covenants associated with these borrowings including, but not limited to, a fixed charge ratio, and a minimum amount of undrawn availability. At March 31, 2023, the Company was in compliance with these covenants.

NOTE 7 – NOTES PAYABLE, NET

Notes payable, net consisted of the unsecured promissory note, net of discount. The unsecured promissory note was paid off in full as of December 31, 2022.

On October 31, 2018, in conjunction with an acquisition, the Company entered into an unsecured promissory note with the seller in the amount of $5.5 million. Periodic payments on this note are due as follows, $1.5 million on February 1, 2019; $1.0 million annually on October 31 beginning in 2019, and through 2022. There is no stated interest rate in the agreement; therefore, management imputed an interest rate of 5.2% and recorded a discount of $0.5 million on the note and will accrete the discount to interest expense over the term of the note. The effective interest rate on the note is 10.91%. The note matured and was paid in full, including the unamortized discount, on October 31, 2022.

As of March 31, 2023, there are no future minimum payments related to notes payable, net.

NOTE 8 – INCOME TAXES

The Company recorded income tax expense on the consolidated statements of operation and comprehensive income of $1.7 million and $0.4 million for the three months ended March 31, 2023 and 2022, respectively.

The Company calculates its tax provision using the discreet quarter methodology. The Company's effective tax rate for the three months ended March 31, 2023 and 2022 were provisions of 23.2% and 24.3%, respectively. Such rates differed from the Federal Statutory rate of 21.0% primarily due to the state taxes, foreign income taxes on the Company's international operations and state income taxes. and permanent differences.

The Company records deferred tax assets and liabilities for the future tax benefit or expense that will result from differences between the carrying value of its assets for income tax purposes and for financial reporting purposes, as well as for operating loss and tax credit carryovers. A valuation allowance is recorded to bring the net deferred tax assets to a level that is more likely than not to be realized in the foreseeable future. This level will be estimated based on a number of factors, especially the amount of net deferred tax assets of the Company that are actually expected to be realized, for tax purposes, in the foreseeable future. There was no change to the valuation allowance during the three months ended March 31, 2023 and 2022.

NOTE 9 – SHARE-BASED COMPENSATION

The Company's 2012 Nonqualified Stock Option Plan (the Plan) permitted the grant of share options to its employees for up to 4,555,779 shares of common stock. On September 1, 2013, the Company amended the Plan to permit the grant of share options to its employees for up to 13,000,000 shares of common stock. Under the Plan, option awards are generally granted with an exercise price equal to the market price for the Company's stock at the date of grant; those option awards generally vest over three years of continuous service with one-third vesting on the first, second, and third anniversaries of the option's grant date. Those awards which contain performance conditions vest upon satisfaction of such performance conditions. Certain option awards provide for conditional or accelerated vesting if there is a change in control, as defined in the Plan.

The fair value of each option award is estimated on the date of grant using a Black-Scholes option valuation model. Expected volatilities are based on comparable public company data. The Company uses future estimated employee termination and forfeiture rates of the options within the valuation model. The expected term of options granted is derived using the "plain vanilla" method due to the lack of history and volume of option activity at the Company. The risk-free rate is based on the approximate U.S. Treasury yield rate in effect at the time of grant. The Company's calculation of share price involves the use of different valuation techniques, including a combination of an income and market approach.

Determination of the fair value is a matter of judgment and often involves the use of estimates and assumptions. During the three months ended March 31, 2023 and the year ended December 31, 2022 there were no options granted, exercised or forfeited, respectively.

Non-vested shares at March 31, 2023 and December 31, 2022 totaled 2,340,000, respectively, which consist of performance shares, for which the performance conditions have not been satisfied at March 31, 2023 and December 31, 2022, respectively.

For the three months ended March 31, 2023 and 2022, there was no share-based compensation expense charged to operating costs and expenses, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

For the three months ended March 31, 2023 and 2022, management fees paid to a shareholder were approximately $0.2 million and $0.1 million, respectively, and are included in selling, general and administrative expenses in the accompanying consolidated statements of operations and comprehensive income.

For the three months ended March 31, 2023 and 2022, the Company paid rent expense to a shareholder of approximately $13 thousand, respectively, relating to the lease of a building. Future minimum lease payments related to this lease are included in the future minimum lease schedule in Note 11.

NOTE 11 – LEASES

The Company adopted ASC Topic 842 on January 1, 2022 using the modified retrospective approach. Comparative information has not been restated and continues to be reported under ASC Topic 840, *Leases*, which was the accounting standard in effect for those periods.

The Company leases various facilities and vehicles under non-cancelable operating lease agreements. As of March 31, 2023, all of the Company's leases were operating leases.

For the three months ended March 31, 2023, the components of the Company's lease expense were as follows (in thousands):

	Three Months ended March 31, 2023
Operating Lease Cost	$ 1,518
Short-term Lease Cost	30
Variable Lease Cost	84
Sublease Income	(46)
Total Lease Cost	**$ 1,587**

Supplemental balance sheet information related to leases was as follows (in thousands):

	Three Months ended March 31, 2023
Weighted-average remaining lease term (in years)	7.07
Weighted average discount rate	5.64%

	Three Months ended March 31, 2023
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 2,516
Cash paid for amounts included in the measurement of lease liabilities	1,352

Future undiscounted cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the balance sheet as of March 31, 2023 were as follows (in thousands):

2023	$ 3,510
2024	4,136
2025	3,739
2026	3,362
2027	2,354
Thereafter	7,477
Total lease payments	$24,578
Less: imputed interest	(4,302)
Present value of lease liabilities	$20,276

The Company entered into a lease agreement for general office space, the Southcreek Lease, in Houston, Texas on November 1, 2021. The lease requires a Standby Letter of Credit (LOC) of approximately $0.3 million that expires April 2023.

There are no minimum fixed lease payments that are to be earned over the years as the weighted average remaining lease term is 7.07 years.

For the three months ended March 31, 2023 and 2022, tool rental revenue was approximately $32.3 million and $20.4 million, respectively. Due to the short term nature of the contracts, no maturity table is presented.

NOTE 12 – EMPLOYEE BENEFITS

The Company has a defined contribution plan that complies with Section 401(k) of the Internal Revenue Code. All employees are auto enrolled at a 3% contribution, unless they opt out, beginning on the first plan entry date following six months of service. Plan entry dates are the first day of January and July. In March of 2020, the Company suspended any employee contribution match effective immediately and through the end of 2021. The match was reinstated on January 1, 2022. For 2022, the Company matched employee contributions 150% of the first 3% of employee contributions, not to exceed $2 thousand per participant per calendar year. Employees vest in employer contributions over six years. The contribution is limited to the maximum contribution allowed under the Internal Revenue Service Regulations. The total expense for the three months ended March 31, 2023 and 2022 was approximately $0.2 million, respectively.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Company maintains operating leases for various facilities and vehicles. See note 11, Leases, for further information.

Litigation

From time to time, the Company may become involved in various legal proceedings in the ordinary course of its business and may be subject to third-party infringement claims.

In the normal course of business, the Company may agree to indemnify third parties with whom it enters into contractual relationships, including customers, lessors, and parties to other transactions with the Company, with respect to certain matters. The Company has agreed, under certain conditions, to hold these third parties harmless against specified losses, such as those arising from a breach of representations or covenants, other third-party claims that the Company's products when used for their intended purposes infringe the intellectual property rights of such other third parties, or other claims made against certain parties. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the Company's limited history of prior indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim.

As of March 31, 2023 and December 31, 2022, the Company has not been subject to any pending litigation claims.

Management Fee

The Company is required to pay a monthly management fee to a shareholder. The fee is based upon a percentage of the Company's trailing twelve months, earnings before interest, taxes and accumulated depreciation amount, as defined in the management agreement.

NOTE 14 – EARNINGS PER SHARE

Basic earnings per share is computed using the weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed using the weighted-average number of common shares outstanding for the period plus dilutive potential common shares, including performance share awards, using the treasury stock method. Performance share awards are included based on the number of shares that would be issued as if the end of the reporting period was the end of the performance period and the result was dilutive.

The following table sets forth the computation of the Company's basic and diluted net earnings per share for the three months ended March 31, 2023 and 2022 (in thousands except share and per share data):

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net income (loss)	$ 5,701	$ 1,333
Less: Redeemable convertible preferred stock dividends	(314)	(294)
Net income (loss) attributable to common shareholders — basic	$ 5,387	$ 1,039
Add: Redeemable convertible preferred stock dividends	314	294
Net income (loss) attributable to common shareholders — diluted	$ 5,701	$ 1,333
Denominator		
Weighted-average common shares used in computing earnings (net loss) per share — basic	52,363,872	52,363,872
Weighted-average effect of potentially dilutive securities:		
Effect of potentially dilutive stock options	4,410,987	4,410,987
Effect of potentially dilutive redeemable convertible preferred stock	20,370,377	20,370,377
Weighted-average common shares outstanding — diluted	77,145,236	77,145,236
Earnings (net loss) per share — basic	$ 0.10	0.02
Earnings (net loss) per share — diluted	$ 0.07	0.02

As of March 31, 2023 and March 31, 2022, the Company's potentially dilutive securities were redeemable convertible preferred stock and options to purchase common stock. Based on the amounts outstanding as of the three months ended March 31, 2023 and March 31, 2022, the Company excluded the following potential common shares from the computation of diluted net loss per share because including them would have had an anti-dilutive effect:

	Three Months ended March 31,	
	2023	2022
Performance-based options outstanding	2,340,000	2,340,000
Time-based options outstanding	614,000	614,000
Total	2,954,000	2,954,000

NOTE 15 – SUBSEQUENT EVENTS

The Company has evaluated all events occurring through June 26, 2023, the date on which these consolidated financial statements were issued, and during which time, nothing has occurred outside the normal course of business operation that would require disclosure.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Capitalized terms used below, but not otherwise defined, in this Exhibit 99.2 shall have the meanings ascribed to them elsewhere in the Current Report on Form 8-K filed by Drilling Tools International Corporation with the Securities and Exchange Commission on June 26, 2023.

Introduction

The following unaudited pro forma condensed combined financial information and accompanying notes are provided to aid you in your analysis of the financial aspects of the Business Combination, the PIPE Financing, and adjustments for other material events. These other material events are referred to herein as "Material Events" and the pro forma adjustments for the Material Events are referred to herein as "Adjustments for Material Events." The following information is also relevant to understanding the unaudited pro forma condensed combined financial information contained herein:

- On February 13, 2023, ROC Energy Acquisition Corp. ("ROC"), a Delaware corporation, Drilling Tools International Holdings, Inc. ("DTI"), a Delaware corporation, and ROC Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of ROC ("Merger Sub"), entered into the Merger Agreement. Pursuant to the Merger Agreement, Merger Sub merged with and into DTI with DTI surviving the merger (the "Merger"). As a result of the Merger, DTI became a wholly-owned subsidiary of ROC, with the stockholders of DTI becoming stockholders of ROC (such transaction, the "Business Combination," and the post-Business Combination entity being referred to as "New DTI").
- Immediately prior to the closing of the Business Combination, ROC Energy Holdings, LLC, (the "ROC Sponsor") held 5,971,000 shares of common stock of ROC, of which 5,175,000 are subject to restrictions set forth in the Escrow Agreement, the Sponsor Support Agreement, the Subscription Agreements, and the Exchange Agreements (the "Founder Shares"), and EarlyBirdCapital, Inc ("EarlyBirdCapital") held 180,000 shares of common stock of ROC. Upon the closing of the Business Combination, the ROC Sponsor forfeited 1,775,084 of these shares of common stock of ROC pursuant to the terms of the Sponsor Support Agreement and the ROC Sponsor forfeited 972,416 of these shares of common stock of ROC pursuant to the terms of the Exchange Agreements. The remaining 3,223,500 shares of ROC owned by ROC Sponsor and 180,000 shares of ROC owned by EarlyBirdCapital remained outstanding upon the closing of the Business Combination and represent common stock in New DTI.
- Upon consummation of the Business Combination, each of ROC's outstanding public rights were exchanged for one-tenth of one share of ROC's outstanding common stock, for an aggregate of 2,070,000 shares of common stock in New DTI. In addition, upon consummation of the Business Combination, each of ROC's outstanding private rights were exchanged for one-tenth of one share of ROC's outstanding common stock, for an aggregate of 79,600 shares of common stock in New DTI.
- Upon consummation of the Business Combination, each share of DTI common stock that was issued and outstanding immediately prior to the consummation of the Business Combination was canceled and automatically converted into the right to receive a number of shares of New DTI common stock equal to the Per Share Company Common Stock Consideration of 0.2282, which is calculated as the quotient of (A) the sum of (i) the Company Equity Value of $209,273,033 divided by the Closing Share Price of $10.10 plus (ii) the Variable Stock Amount of 1,775,084 divided by (B) the Company Fully Diluted Shares of 98,562,706.
- Pursuant to the Merger Agreement, holders of DTI's Redeemable convertible preferred stock held a right to receive the Aggregate Company Cash Consideration of $11.0 million and New DTI common stock upon consummation of the Business Combination. In June 2023, certain DTI preferred stockholders and ROC Sponsor entered into the Exchange Agreements wherein they exchanged their rights to receive their portions of the Aggregate Company Cash Consideration for the rights to receive shares of New DTI common stock and ROC Sponsor agreed to forfeit shares of New DTI common stock. This resulted in the issuance of 2,042,181 shares of New DTI common stock for $10.8 million, and the forfeiture of 972,416 shares of New DTI common stock by ROC Sponsor. The remaining $0.2 million of the Aggregate Company Cash Consideration was paid to certain DTI preferred stockholders in cash upon the

closing of the Business Combination. Furthermore, upon the closing of the Business Combination, the outstanding common stock of DTI was converted into the right to receive New DTI common stock. In consideration for the acquisition of all of the issued and outstanding ROC common stock, New DTI issued one share of New DTI common stock in exchange for each share of ROC common stock acquired by virtue of the Business Combination. Immediately after the closing of the Business Combination, DTI's stockholders owned approximately 21,086,518 shares of New DTI common stock.

- Upon consummation of the Business Combination, each share of DTI Redeemable convertible preferred stock that was issued and outstanding immediately prior to the consummation of the Business Combination was canceled and automatically converted into the right to receive a number of shares of New DTI common stock equal to the Per Share Company Preferred Stock Consideration of 0.3299, which is calculated as (A) the Aggregate Company Preferred Stock Consideration of 6,719,641 *divided by* (B) the Company Preferred Stock of 20,370,377 shares. In addition to the Per Share Company Preferred Stock Consideration of 0.3299 shares of New DTI common stock, each share of Redeemable convertible preferred stock outstanding that was canceled immediately prior to the consummation of the Business Consummation also obtained the right to receive the Per Share Company Preferred Cash Consideration of $0.54, which is calculated as (A) the Aggregate Company Cash Consideration of $11.0 million *divided by* (B) the Company Preferred Stock of 20,370,377 shares. The Aggregate Company Preferred Stock Consideration of 6,719,641 is calculated as (i) the Per Share Company Common Stock Consideration of 0.2282 (calculation detailed above) *multiplied* by the As Converted Preferred Share Count[1] of 34,214,055 *less* (ii) the Aggregate Company Cash Consideration of $11.0 million *divided* by the Closing Share Price of $10.10. As discussed above, certain DTI preferred stockholders entered into Exchange Agreements wherein they exchanged their rights to receive the Aggregate Company Cash Consideration in cash for the rights to receive shares of New DTI common stock in lieu of cash.
- As of March 31, 2023, DTI had entered into Subscription Agreements for 1,485,148 shares of New DTI common stock to be issued to various accredited investors at a price of $10.10 per share (the "PIPE Financing"). As a result of the PIPE Financing, New DTI received approximately $10.9 million in cash in exchange for the issuance of 1,075,247 shares of New DTI common stock. In addition, upon consummation of the Business Combination, the Convertible promissory notes—related party, which were issued to affiliates of the ROC Sponsor on December 2, 2022 and March 2, 2023, which had a combined outstanding principal balance of $4.1 million upon the Business Combination, were converted into New DTI common stock in connection with the PIPE Financing. The conversion resulted in the issuance of 409,901 shares of New DTI common stock, which is calculated as (A) the outstanding principal of $4.1 million *divided by* (B) $10.10, which is the price per share of New DTI common stock issued in the PIPE Financing.
- Subsequent to March 31, 2023 and prior to the closing of the Business Combination, additional Subscription Agreements were entered into with certain PIPE Investors, certain DTI preferred stockholders entered into Exchange Agreements, ROC borrowed additional funds on its Working Capital Loan, DTI borrowed additional funds on its Revolving line of credit, and a holder of DTI stock options net exercised options resulting in the issuance of shares of DTI common stock. Refer to the *Material Events and Background Relevant to Material Events* section below for details of these Material Events that occurred subsequent to March 31, 2023.
- The tables below present the exchange of DTI common stock for the right to receive New DTI common stock and the exchange of DTI Redeemable convertible preferred stock for the right to receive New DTI common stock that occurred upon the closing of the Business Combination.

[1] The As Converted Preferred Share Count is equal to the number of shares of DTI common stock issuable upon the conversion of all DTI Redeemable convertible preferred stock issued and outstanding immediately prior to the closing of the Business Combination, inclusive of DTI common stock issuable as a result of the accumulation of paid-in-kind dividends on DTI's Redeemable convertible preferred stock.

	Shares of DTI common stock outstanding as of March 31, 2023 (Historical)	Payment of transaction services fee to certain DTI stockholders in DTI common stock equivalents[1]	Net exercise of a DTI employee's stock options into common stock equivalents	DTI common stock equivalents outstanding immediately prior to Closing (excluding DTI common stock equivalents arising from DTI redeemable convertible preferred stock)
Common stock, par value $0.01 per share	52,363,872	1,478,371	158,444	54,000,687
DTI common stock equivalents outstanding immediately prior to Closing (excluding DTI common stock equivalents arising from DTI redeemable convertible preferred stock)				54,000,687
Exchange Ratio				0.2282
Shares of New DTI common stock issued to holders of DTI common stock upon Closing				12,324,697

1) In accordance with the Transaction Services Agreement amongst DTI and certain stockholders of DTI, as amended February 13, 2023, payment for advisory services rendered to DTI by certain stockholders was made in DTI common stock immediately prior to the closing of the Business Combination.

	Shares of DTI redeemable convertible preferred stock outstanding as of March 31, 2023 (Historical)
Redeemable convertible preferred stock, par value $0.01 per share	20,370,377
Exchange Ratio	0.3299
Estimated shares of New DTI common stock issued to holders of DTI redeemable convertible preferred stock upon Closing	6,719,641

For additional information about the Business Combination, please see the section entitled "The Business Combination Proposal."

Material Events and Background Relevant to Material Events

- In June 2023, Subscription Agreements were entered into with certain PIPE Investors. These PIPE Investors have committed to subscribe for and purchase, and New DTI has agreed to issue and sell, an aggregate of 1,485,148 shares of New DTI common stock. At the closing of the Business Combination, the New DTI common stock was sold to these PIPE Investors at a purchase price of $10.10 per share, for an aggregate purchase price equal to $15.0 million in cash.
- In June 2023, certain DTI preferred stockholders entered into Exchange Agreements to exchange their rights to receive a portion of the total Aggregate Company Cash Consideration of $11.0 million for the rights to receive shares of New DTI common stock at a purchase price of $10.10 per share. This resulted in the issuance of 1,069,764 shares of New DTI common stock for $10.8 million of the Aggregate Company Cash Consideration. Additionally, pursuant to the Exchange Agreements, the Sponsor forfeited 972,416 shares of New DTI common stock to certain DTI preferred stockholders.
- Subsequent to March 31, 2023, DTI borrowed an additional $5.0 million under its Revolving line of credit and amended the line which resulted in DTI incurring $0.3 million of Deferred financing costs, net in connection with the amendment.
- Under DTI's 2012 Nonqualified Stock Option Plan, each option holder can elect for such holder's options to be net exercised whereby the exercise price is paid in shares and additional shares are withheld for income taxes. In June 2023 and prior to the closing of the Business Combination, one option holder net exercised all of such holder's options, resulting in 158,444 shares of DTI common stock being issued upon the net exercise.
- Subsequent to March 31, 2023, ROC borrowed an additional $0.3 million under the Working Capital Loan.

The unaudited pro forma condensed combined financial information have been prepared based on the ROC and DTI historical financial statements as adjusted to give effect to the Business Combination. The unaudited pro forma condensed combined balance sheet as of March 31, 2023 gives pro forma effect to the Business Combination

as if it had occurred on March 31, 2023. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 gives effect to the Business Combination as if it had occurred on January 1, 2022. The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2023 gives effect to the Transactions and Material Events as if they had occurred on January 1, 2022.

The unaudited pro forma condensed combined financial information have been derived from and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma condensed combined financial information;
- the historical unaudited financial statements of ROC as of and for the year ended December 31, 2022, and the historical unaudited financial statements of ROC as of and for the three months ended March 31, 2023, and the related notes included elsewhere in this proxy statement/prospectus;
- the historical unaudited financial statements of DTI as of and for the year ended December 31, 2022, and the historical unaudited financial statements of DTI as of and for the three months ended March 31, 2023, and the related notes included elsewhere in this proxy statement/prospectus; and
- the sections entitled *"Management's Discussion and Analysis of Financial Condition and Results of Operations of ROC"*, *"Drilling Tools International Holdings, Inc. Management's Discussion and Analysis of Financial Condition and Results of Operations"*, and other financial information relating to each of ROC and DTI included elsewhere in this proxy statement/prospectus.

The unaudited pro forma condensed combined financial information are for illustrative purposes only and are not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination and the Material Events taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of New DTI.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF MARCH 31, 2023

(In thousands, except for share Data)	ROC (Historical)	DTI (Historical)	Actual Redemptions Transaction Accounting Adjustments: Adjustments for Material Events	Notes	Other Transaction Accounting Adjustments	Notes	Pro Forma Balance Sheet
ASSETS							
Current assets							
Cash	$ 8	$ 820	15,000	3(aa)	$ 217,776	3(a)	$ 8,751
	—	—	4,967	3(cc)	(3,178)	3(b)	—
	—	—	(195)	3(dd)	(4,698)	3(c)	—
	—	—	280	3(ee)	(16,188)	3(j)	—
	—	—	—		10,860	3(k)	—
	—	—	—		(216,301)	3(e)	—
	—	—	—		(400)	3(h)	—
Accounts receivable, net	—	30,339	—		—		30,339
Inventories, net	—	4,723	—		—		4,723
Prepaid expenses and other current assets	127	3,665	—		—		3,792
Investment - equity securities, at fair value	—	1,110	—		—		1,110
Total current assets	135	40,657	20,052		(12,129)		48,715
Cash and marketable securities held in Trust Account	217,776	—	—		(217,776)	3(a)	—
Property, plant and equipment, net	—	49,175	—		—		49,175
Operating lease right-of-use asset	—	20,257	—		—		20,257
Intangible assets, net	—	251	—		—		251
Deferred financing costs, net	—	207	325	3(cc)	(207)	3(j)	325
Deposits and other long-term assets	—	386	—		—		386
Total assets	$ 217,911	$ 110,933	$ 20,377		$ (230,112)		$ 119,109
LIABILITIES. REDEEMABLE STOCK. AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts payable	$ 2,078	$ 13,046	$ —		$ (1,730)	3(c)	$ 11,738
	—	—	—		(1,656)	3(b)	—
Accrued expenses and other current liabilities	—	7,611	—		2,576	3(c)	10,187
Convertible promissory notes - related party	4,140	—	—		(4,140)	3(k)	—
Current portion of operating lease liabilities	—	3,537	—		—		3,537
Revolving line of credit	—	10,896	5,292	3(cc)	(16,188)	3(j)	—
Income taxes payable	545	—	—				545
Working Capital Loan	120	—	280	3(ee)	(400)	3(h)	—
Total current liabilities	6,883	35,090	5,572		(21,538)		26,007
Operating lease liabilities, less current portion	—	16,739	—		—		16,739
Deferred tax liabilities, net	—	4,301	—		—		4,301
Total liabilities	6,883	56,130	5,572		(21,538)		47,047

See accompanying notes to the unaudited pro forma condensed combined financial information

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF MARCH 31, 2023

(In thousands, except for share Data)	ROC (Historical)	DTI (Historical)	Actual Redemptions: Transaction Accounting Adjustments: Adjustments for Material Events	Notes	Actual Redemptions: Transaction Accounting Adjustments: Other Transaction Accounting Adjustments	Notes	Pro Forma Balance Sheet
Common stock subject to possible redemption at redemption value (20,700,000 shares at $10.48 per share)	216,977	—	—		(216,977)	3(e)	—
Series A redeemable convertible preferred stock, par value $0.01; 30,000,000 shares authorised, 20,370,377 shares issued and outstanding	—	18,192	(11,000)	3(dd)	(7,192)	3(i)	—
Stockholders' equity:							
DTl common stock, par value $0.01; 65,000,000 shares authorised, 53,175,028 shares issued and 52,363,872 shares outstanding	—	532	1	3(bb)	(548)	3(i)	—
	—	—	—		15	3(b)	—
ROC Common Stock, $0.0001 par value; 100,000,000 shares authorised; 6,151,000 shares issued and outstanding (excluding 20,700,000 shares subject to possible redemption)	1	—	—		(1)	3(d)	—
New DTI common stock, par value $0.0001	—	—	—	3(aa)	1	3(d)	3
	—	—	—	3(dd)	—	3(g)	—
	—	—	—		—	3(k)	—
	—	—	—		—	3(e)	—
	—	—	—		2	3(i)	—
Additional paid-in-capital	—	52,476	15,000	3(aa)	1,661	3(f)	98,552
	—	—	(1)	3(bb)	—	3(g)	—
	—	—	10,805	3(dd)	2,080	3(b)	—
	—	—	—		15,000	3(k)	—
	—	—	—		676	3(e)	—
	—	—	—		855	3(i)	—
Accumulated deficit	(5,950)	(15,353)	—		(1,661)	3(f)	(26,382)
	—	—	—		(3,617)	3(b)	—
	—	—	—		(5,544)	3(c)	—
	—	—	—		5,950	3(i)	—
	—	—	—		(207)	3(i)	—
Less treasury stock, at cost; 811,156 shares	—	(933)	—		933	3(i)	—
Accumulated other comprehensive loss	—	(111)	—		—		(111)
Total stockholders' equity	(5,949)	36,611	25,805		15,595		72,062
Total liabilities, redeemable stock, and stockholders' equity	$ 217,911	$ 110,933	$ 20,377		$ (230,112)		$ 119,109

See accompanying notes to the unaudited pro forma condensed combined financial information

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(in thousands, except per share and weighted-average share data)	Three Months Ended March 31, 2023 ROC (Historical)	Three Months Ended March 31, 2023 DTI (Historical)	Actual Redemptions Transaction Accounting Adjustments	Notes	Pro Forma Statement of Operations	
Revenue, net:						
Tool rental	$ —	$ 32,276	$ —		$ 32,276	
Product sale	—	8,523	—		8,523	
Total revenue, net	—	40,798	—		40,799	
Operating cost and expenses:						
Cost of tool rental revenue	—	8,137	—		8,137	
Cost of product sale revenue	—	1,303	—		1,303	
Selling, general and administrative expense	1,960	18,423	(3,314)	4(b)	17,069	
Depreciation and amortization expense	—	5,015	—		5,015	
Total operating costs and expenses	1,960	32,878	(3,314)		31,524	
Operating income (loss)	(1,960)	7,921	3,314		9,275	
Other income (expense):						
Interest expense, net	—	(573)	573	4(d)	(20)	
	—	—	(20)	4(h)	—	
Interest earned on investment held in Trust Account	2,231	—	(2,231)	4(a)	—	
Gain on sale of property	—	69	—		69	
Unrealized gain (loss) on equity securities	—	(33)	—		(33)	
Other income (expense)	—	40	—		40	
Total other income, net	2,231	(497)	(1,678)		56	
Income before income tax (expense)	271	7,424	1,636		9,331	
Income tax benefit (expense)	(458)	(1,723)	(828)	4(g)	(3,009)	
Net income (loss)	$ (187)	$ 5,701	$ 808		$ 6,322	
Net income attributable to DTI common stockholders —basic		$ 5,387				
Net income attributable to DTI common stockholders — diluted		$ 5,701				
Earnings per share — basic, DTI common stock		$ 0.10				
Earnings per share — diluted, DTI common stock		$ 0.07				
Weighted-average common shares used in computing earnings per share — basic, DTI common stock		52,363,872				
Weighted-average common shares outstanding — diluted, DTI common stock		77,145,236				
Basic and diluted net loss per share, ROC common stock	$ (0.01)					
stock	26,851,000					
Pro forma basic earnings per share, New DTI common stock					$ 0.21	4(i)
Pro forma weighted-average common shares outstanding — basic, New DTI common stock					29,768,535	4(i)
Pro forma diluted earnings per share, New DTI common stock					$ 0.21	4(i)
Pro forma weighted-average common shares outstanding — diluted, New DTI common stock					30,739,102	4(i)

See accompanying notes to the unaudited pro forma condensed combined financial information

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

(in thousands, except per share and weighted-average share data)	Year Ended December 31, 2022 ROC (Historical)	Year Ended December 31, 2022 DTI (Historical)	Actual Redemptions Transaction Accounting Adjustments	Notes	Pro Forma Statement of Operations	
Revenue, net:						
Tool rental	$ —	$ 99,018	$ —		$ 99,018	
Product sale		30,538			30,538	
Total revenue, net	—	129,556	—		129,556	
Operating cost and expenses:						
Tool rental operating costs	—	27,581	—		27,581	
Product sale operating costs	—	5,423	—		5,423	
Selling, general, administrative	1,282	51,566	12,475	4(b)	66,984	
	—	—	1,661	4(c)	—	
Depreciation and amortization expense	—	19,709	—		19,709	
Total operating costs and expenses	1,282	104,279	14,136		119,697	
Operating income (loss)	(1,282)	25,277	(14,136)		9,859	
Other income (expense):						
Interest expense, net	—	(477)	306	4(d)	(401)	
	—	—	58	4(e)	—	
	—	—	(207)	4(f)	—	
	—	—	(81)		—	
Interest earned on investment held in Trust Account	2,844	—	(2,844)	4(a)	—	
Gain on forgiveness of PPP loan	—	234	—		234	
Gain on sale of property	—	127	—		127	
Unrealised gain on securities	—	—	—		—	
Other expense	—	(384)	—		(384)	
Total other income, net	2,844	(500)	(2,768)		(424)	
Income (loss) before income tax benefit (expense)	1,562	24,777	(16,904)		9,435	
Income tax benefit (expense)	(546)	(3,697)	3,534	4(g)	(709)	
Net income (loss)	$ 1,016	$ 21,080	$ (13,370)		$ 8,726	
Net income attributable to DTI common stockholders — basic		$ 19,891				
Net income attributable to DTI common stockholders — diluted		$ 21,080				
Earnings per share — basic, DTI common stock		$ 0.38				
Earnings per share — diluted, DTI common stock		$ 0.27				
Weighted-average common shares used in computing earnings per share — basic, DTI common stock		52,363,872				
Weighted-average common shares outstanding — diluted, DTI common stock		77,145,236				
Basic and diluted earnings per share, ROC common stock	$ 0.04					
stock	26,851,000					
Pro forma basic earnings per share, New DTI common stock					$ 0.29	4(i)
Pro forma weighted-average common shares outstanding — basic, New DTI common stock					29,768,535	4(i)
Pro forma diluted earnings per share, New DTI common stock					$ 0.28	4(i)
Pro forma weighted-average common shares outstanding — diluted, New DTI common stock					30,739,102	4(i)

See accompanying notes to the unaudited pro forma condensed combined financial information

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X, as amended by the final rule, Release No. 33-10786, *Amendments to Financial Disclosures about Acquired and Disposed Businesses*. Release No. 33-10786 replaces the historical pro forma adjustments criteria with simplified requirements to depict the accounting for the transaction *("Transaction Accounting Adjustments"*) and present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur *("Management's Adjustments").* Management has elected not to present Management's Adjustments and has only presented Transaction Accounting Adjustments in the unaudited pro forma condensed combined financial information. The adjustments presented in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information necessary for an understanding of the combined company upon consummation of the Business Combination, the PIPE Financing, and the Adjustments for Material Events. The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the Business Combination. ROC and DTI have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The unaudited pro forma condensed combined balance sheet as of March 31, 2023, was derived from the unaudited historical balance sheet of ROC as of March 31, 2023, and the unaudited historical balance sheet of DTI as of March 31, 2023 and gives effect to the Business Combination as if it had occurred on March 31, 2023. The unaudited pro forma condensed combined statement of operations for the year ended March 31, 2023, combines the historical statement of operations of ROC for the year ended March 31, 2023, and the historical statement of operations of DTI for the year ended March 31, 2023, and gives effect to the Business Combination as if it had occurred on January 1, 2022.

The pro forma adjustments reflecting the consummation of the Business Combination, the PIPE Financing, and the Material Events are based on certain currently available information and certain assumptions and methodologies that each of ROC and DTI believes are reasonable under the circumstances. The pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible that the differences may be material. Each of ROC and DTI believes that its assumptions and methodologies provide a reasonable basis for presenting all the significant effects of the Business Combination, the PIPE Financing, and the Material Events based on information available to management at this time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information has been prepared based on actual redemptions of 20,541,379 shares of ROC common stock for an aggregate redemption price of $216.3 million out of the Trust Account. No other shares of ROC common stock were subject to redemption.

Upon the closing of the Business Combination, shares outstanding as presented in the unaudited pro forma condensed combined financial statements include the following:

(Shares in thousands)	**Number of Shares Owned**	**% Ownership**
DTI stockholders[1]	21,086	70.8%
ROC Sponsor and related parties[2]	6,194	20.8%
ROC stockholders[3]	2,488	8.4%
Total	**29,768**	**100.0%**

1) The 21,086 shares of New DTI owned by DTI stockholders are comprised of 12,324 New DTI shares issued to holders of DTI common stock equivalents (excluding DTI common stock equivalents arising from DTI redeemable convertible preferred stock) in connection with the exchange of DTI shares for New DTI shares, 6,720 New DTI shares issued to holders of DTI redeemable convertible preferred stock in connection with the exchange of DTI shares for New DTI shares, 1,070 shares of New DTI issued to holders of DTI redeemable convertible preferred stock in accordance with the Exchange Agreements, and 972 shares of New DTI forfeited by the ROC Sponsor to holders of DTI redeemable convertible preferred stock in accordance with the Exchange Agreements.

2) The 6,194 shares of New DTI owned by the ROC Sponsor and related parties are comprised of 2,970 shares of New DTI issued in connection with Subscription Agreements, plus the 5,971 shares originally held by the ROC Sponsor less the 1,775 shares of New DTI forfeited by the ROC Sponsor to DTI stockholders in connection with the First Amendment to Sponsor Support Agreement less the 972 shares of New DTI forfeited by the ROC Sponsor to holders of DTI redeemable convertible preferred stock in accordance with the Exchange Agreements.

3) The 2,488 shares of New DTI owned by ROC stockholders are comprised of 2,149 shares of New DTI issued in connection with the closing of the Business Combination in accordance with stock rights, 180 shares of New DTI held by EarlyBirdCapital, and 159 shares of ROC common stock that were initially subject to possible redemption but that were not redeemed and were thus exchanged for 159 shares of New DTI in connection with the closing of the Business Combination.

2. Accounting for the Business Combination

Notwithstanding the legal form, the Business Combination will be accounted for as a reverse recapitalization in accordance with U.S. GAAP and not as a business combination under ASC 805. Under this method of accounting, ROC, will be treated as the acquired company for accounting purposes, whereas DTI will be treated as the accounting acquirer. In accordance with this method of accounting, the Business Combination will be treated as the equivalent of DTI issuing shares for the net assets of ROC, accompanied by a recapitalization. The net assets of DTI will be stated at historical cost, with no goodwill or other intangible assets recorded, and operations prior to the Business Combination will be those of DTI. DTI has been determined to be the accounting acquirer for purposes of the Business Combination based on an evaluation of the following facts and circumstances:

- DTI designated a majority of the governing body of New DTI and legacy DTI stockholders have a majority of the voting interest in New DTI.
- An individual from DTI has been designated as the chairman of the governing body of New DTI and the Chief Executive Officer of New DTI and a second individual from DTI has been designated as the Chief Financial Officer of New DTI and the remaining members of senior management of New DTI are comprised entirely of individuals from DTI.
- DTI's operations comprise the ongoing operations of New DTI.

3. Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2023

The pro forma notes and adjustments, based on preliminary estimates that could change materially as additional information is obtained, are as follows:

Pro Forma Adjustments for Material Events:

(aa) To reflect the issuance of 1,485,148 shares of New DTI common stock to certain PIPE Investors who entered into Subscription Agreements in June 2023 at a purchase price of $10.10 per share for an aggregate purchase price of $15.0 million in cash.

(bb) To reflect the net exercise of DTI stock options into 158,444 shares of DTI common stock in June 2023 and prior to the closing of the Business Combination.

(cc) To reflect a $5.3 million increase in the DTI Revolving line of credit as a result of additional borrowings subsequent to March 31, 2023. The adjustment also increases Cash by $5.0 million and Deferred financing costs, net by $0.3 million.

(dd) To reflect the issuance of 1,069,764 shares of New DTI common stock at a purchase price of $10.10 per share to DTI preferred stockholders for $10.8 million in accordance with the Exchange Agreements that were entered into in June 2023.

(ee) To reflect $0.3 million of additional borrowings under the Working Capital Loan subsequent to March 31, 2023.

Pro Forma Other Transaction Accounting Adjustments:

(a) To reflect a reclassification of the Cash and Marketable securities held in Trust Account to Cash at the closing of the Business Combination.

(b) To reflect the cash payment for DTI transaction costs of $3.2 million, which includes the payment of $1.6 million of transaction costs that were incurred prior to March 31, 2023 and that were recorded as Accounts payable in the historical financial statements, as well as the payment of $1.6 million (of which $1.4 million are expensed in the pro forma statement of operations and $0.2 million are recorded as a reduction to Additional paid-in capital) of transaction costs that were incurred subsequent to March 31, 2023 (but prior to the closing of the Business Combination). This adjustment increases DTI Common stock by $15 thousand as a result of 1,478,432 shares being issued to certain stockholders of DTI immediately before the closing of the Business Combination in accordance with the Transaction Services Agreement between DTI and such stockholders. The adjustment increases Accumulated deficit by $3.7 million, which is comprised of $2.3 million (1,478,432 shares multiplied by the estimated fair value[2] per DTI share of common stock of $1.58 upon the closing of the Business Combination) for the issuance of DTI Common stock in accordance with the Transaction Services Agreement and $1.4 million for transaction costs incurred subsequent to March 31, 2023 that are expensed in the pro forma statement of operations. In addition, the adjustment reduces Accumulated deficit by $0.1 million as a result of transaction costs incurred prior to March 31, 2023 that were expensed in the historical financial statements but that have been reclassified to Additional paid-in capital in the unaudited pro forma condensed combined financial information because these were costs were related to the offering of securities. As a result, the net impact of this adjustment is to increase Accumulated deficit by $3.6 million ($3.7 million *less* $0.1 million). This adjustment also increases Additional paid-in capital by $2.0 million, which is comprised of an increase of $2.3 million for the issuance of DTI Common stock in accordance with the Transaction Services Agreement and decreases of $0.1 million and $0.2 million for transaction costs related to the offering of securities incurred prior to March 31, 2023 and subsequent to March 31, 2023, respectively.

(c) To reflect the cash payment for ROC transaction costs of $4.7 million. The adjustment reflects the payment of total advisory, legal, and other professional fees that were incurred in connection with the Business Combination but that are not directly attributable to the offering of securities and are non-recurring items. The adjustment reduces Accounts payable by $1.7 million as this portion of the $4.7 million cash payment went to paying off transaction costs that were incurred but unpaid as of March 31, 2023. In addition, this adjustment increases the Accumulated deficit by $5.5 million and increases Accrued expenses and other current liabilities by $2.5 million as a result of transaction costs incurred in connection with the closing of the Business Combination but that are not due and payable until after the closing of the Business Combination.

(d) To reflect the exchange of ROC common stock to New DTI common stock at an exchange ratio of 1.0.

(e) To reflect the redemption of 20,541,379 shares of ROC Common stock subject to possible redemption at a redemption price per share of $10.53 for an aggregate redemption price of $216.3 million. Additionally, this resulted in a reclassification of the 158,621 shares of ROC Common stock that were not redeemed to an immaterial amount of New DTI common stock and Additional paid-in capital of $0.1 million.

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[2] Fair value was estimated by multiplying the ROC quoted market price upon issuance of shares in share exchange in connection with closing of the Business Combination by the Per Share Company Common Stock Consideration.

(f) To reflect the stock-based compensation for stock options that are subject to accelerated vesting upon the consummation of the Business Combination. The grant date fair value of the awards was estimated using the Black-Scholes option pricing model. The key inputs and assumptions of the model include the expected term of the option, stock price volatility, the risk-free interest rate, stock price, and exercise price.

(g) To reflect the issuance of 2,070,000 and 79,600 shares of New DTI common stock pursuant to the automatic exercise upon the consummation of the Business Combination of the ROC Public Rights and ROC Private Rights, respectively.

(h) To reflect the cash repayment of $0.4 million for the Working Capital Loan.

(i) To reflect the recapitalization of DTI through the Business Combination and the issuance of 19,044,338 shares of New DTI common stock and the elimination of the Accumulated deficit of ROC. As a result of the recapitalization, the following amounts were derecognized: ROC's Accumulated deficit of $6.0 million, DTI's common stock of $0.5 million, DTI's Redeemable convertible preferred stock of $7.2 million, and DTI's treasury stock of $0.9 million. The shares of New DTI common stock issued in exchange for DTI's capital were recorded as an increase to New DTI common stock of $2 thousand and an increase to Additional paid-in capital of $0.8 million.

(j) To reflect the repayment of DTI's Revolving line of credit as management settled the line of credit upon the closing of the Business Combination. This entry reflects a reduction in the Revolving line of credit balance of $16.2 million consisting of the $10.9 million balance as of March 31, 2023 and the additional $5.3 million borrowing subsequent to March 31, 2023, a reduction in Cash of $16.2 million, a write-off of Deferred financing costs, net, of $0.2 million, and an increase in Accumulated deficit of $0.2 million. The increase in the Accumulated deficit is due to the write-off of the Deferred financing costs, net.

(k) To reflect the issuance of an aggregate of 1,485,148 shares of New DTI common stock to various accredited investors at a price of $10.10 per share in connection with the PIPE Financing. As a result of the PIPE Financing, New DTI received approximately $10.9 million in cash in exchange for the issuance of 1,075,247 shares of New DTI common stock. In addition, the convertible promissory notes – related party, which were issued to affiliates of the ROC Sponsor on December 2, 2022 and March 2, 2023, were converted into 409,901 shares of New DTI common stock connection with the PIPE Financing. The conversion of the notes into 409,901 shares is calculated as (A) the outstanding principal of the notes of approximately $4.1 million *divided by* (B) $10.10, the price per share of New DTI common stock issued in the PIPE Financing.

4. Adjustments to the Unaudited Pro Forma Condensed Combined Statements of Operations for the three months ended March 31, 2023 and the year ended December 31, 2022

The pro forma notes and adjustments, based on preliminary estimates that could change materially as additional information is obtained, are as follows:

Pro Forma Other Transaction Accounting Adjustments:

(a) To reflect the elimination of Interest earned on investment held in Trust Account.

(b) To reflect transaction costs for ROC and DTI for certain accounting, auditing, and other professional fees incurred in connection with the Business Combination that are not deemed to be specific incremental costs directly attributable to this proposed offering of securities. In addition, this entry moves the ROC and DTI transaction costs from the statement of operations for the three months ended March 31, 2023 to the statement of operations for the year ended December 31, 2022. The assumption for the pro forma statement of operations is that the Business Combination closed and the transaction costs were expensed on January 1, 2022. This adjustment also reduces historical transaction costs that were recorded as expenses for costs related to the offering of securities as it is assumed that if the Business Combination had closed on January 1, 2022 these costs would not have been recorded as expenses on the pro forma statement of operations but as a reduction to Additional paid-in capital.

(c) To reflect the stock-based compensation for stock options that were subject to accelerated vesting when the Business Combination closed.

(d) To reflect the elimination of Interest expense on DTI's Revolving line of credit agreements with PNC Bank. Management settled the Revolving line of credit upon the closing of the Business Combination and the pro forma combined statements of operations assume that the Business Combination closed and that the revolving line of credit was settled on January 1, 2022. In addition, this entry moves the amortization of Deferred financing costs, net, on the Revolving line of credit from the statement of operations for the three months ended March 31, 2023 to the statement of operations for the year ended December 31, 2022. The assumptions for the pro forma statement of operations that the Business Combination closed and that the Revolving line of credit was settled on January 1, 2022 result in all financing costs being expensed on January 1, 2022 as all financing costs are immediately expensed when the associated debt is settled. Refer to Note 4(f) for the adjustment expensing the unamortized Deferred financing costs, net, in the pro forma statement of operations for the year ended December 31, 2022.

(e) To reflect the elimination of Interest expense on DTI's Notes payable, net, as it is assumed that the notes would have been repaid on January 1, 2022 if the Business Combination had closed on January 1, 2022.

(f) To reflect the write-off of the unamortized Deferred financing costs, net, on the Revolving line of credit as management settled the line of credit upon the closing of the Business Combination.

(g) To reflect an adjustment to income taxes as a result of the tax impact of the pro forma adjustments at the estimated combined statutory tax rate of 25.0%.

(h) To reflect the amortization of Deferred financing costs, net associated with the amendment to the Revolving line of credit that was entered into subsequent to March 31, 2023.

(i) The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statement of operations are based on the number of New DTI shares outstanding as if the Business Combination, PIPE Financing, and Material Events had occurred on January 1, 2022. The calculation of weighted-average shares outstanding for pro forma basic and diluted earnings per share assume that the shares issuable in connection with the Business Combination, PIPE Financing, and Material Events have been outstanding for the entirety of the periods presented.

Pro forma basic and diluted earnings per share is calculated as follows for the three months ended March 31, 2023:

	Three Months Ended March 31, 2023
	Actual Redemptions
Numerator:	
Pro forma net income	$ 6,322,000
Denominator:	
Assume conversion of ROC common stock into New DTI common stock effective January 1, 2022 as a result of assuming closing of the Business Combination on January 1, 2022	4,375,916
Assume reclassification of ROC common stock subject to possible redemption to New DTI common stock effective January 1, 2022 as a result of assuming closing of the Business Combination on January 1, 2022	158,621
Assume January 1, 2022 issuance of New DTI common stock in connection with the PIPE Financing	2,970,296
Assume January 1, 2022 issuance of New DTI common stock in connection with the Exchange Agreements	1,069,764
Assume conversion of ROC public rights into 2,070,000 shares of New DTI common stock and conversion of ROC private rights into 79,600 shares of New DTI common stock effective January 1, 2022 as a result of assuming closing of the Business Combination on January 1, 2022	2,149,600
Assume January 1, 2022 issuance of New DTI common stock to DTI stockholders as a result of assuming closing of the Business Combination on January 1, 2022	19,044,333
Pro forma weighted-average shares outstanding—basic	29,768,535
Assume January 1, 2022 exchange of DTI stock options for New DTI stock options and issuance of New DTI common stock upon exercise in accordance with the treasury stock method(1)	970,567
Pro forma weighted-average shares outstanding—diluted	30,739,102
Pro forma net loss per share—basic	$ 0.21
Pro forma earnings per share—diluted	$ 0.21

(1) The 970,567 dilutive shares of New DTI common stock are calculated by multiplying the weighted-average of 4,252,543 options to purchase DTI stock by the Per Share Company Common Stock Consideration of 0.2282.

Pro forma basic and diluted earnings per share is calculated as follows for the year ended December 31, 2022:

Year Ended December 31, 2022	
	Actual Redemptions
Numerator:	
Pro forma net income	$ 8,726,000
Denominator:	
Assume conversion of ROC common stock into New DTI common stock effective January 1, 2022 as a result of assuming closing of the Business Combination on January 1, 2022	4,375,916
Assume reclassification of ROC common stock subject to possible redemption to New DTI common stock effective January 1, 2022 as a result of assuming closing of the Business Combination on January 1, 2022	158,621
Assume January 1, 2022 issuance of New DTI common stock in connection with the PIPE Financing	2,970,296
Assume January 1, 2022 issuance of New DTI common stock in connection with the Exchange Agreements	1,069,764
Assume conversion of ROC public rights into 2,070,000 shares of New DTI common stock and conversion of ROC private rights into 79,600 shares of New DTI common stock effective January 1, 2022 as a result of assuming closing of the Business Combination on January 1, 2022	2,149,600
Assume January 1, 2022 issuance of New DTI common stock to DTI stockholders as a result of assuming closing of the Business Combination on January 1, 2022	19,044,338
Pro forma weighted-average shares outstanding—basic	29,768,535
Assume January 1, 2022 exchange of DTI stock options for New DTI stock options and issuance of New DTI common stock upon exercise in accordance with the treasury stock method(1)	970,567
Pro forma weighted-average shares outstanding—diluted	30,739,102
Pro forma net loss per share—basic	$ 0.29
Pro forma earnings per share—diluted	$ 0.28

(1) The 970,567 dilutive shares of New DTI common stock are calculated by multiplying the weighted-average of 4,252,543 options to purchase DTI stock by the Per Share Company Common Stock Consideration of 0.2282.

Exhibit 99.3

Drilling Tools International, a Leading Oilfield Services Company, Completes Business Combination with ROC Energy Acquisition Corp. and Will Commence Trading on Nasdaq Under Ticker Symbol "DTI"

- Drilling Tools International ("DTI"), with roots dating back to 1984, is a leading oilfield services company that manufactures and provides a differentiated, rental-focused offering of tools for use in horizontal and directional drilling in the oil and gas industry
- The PIPE transaction, which totaled $40.8 million, included meaningful participation by Fifth Partners, an affiliate of ROC's sponsor, as well as DTI's existing preferred shareholders
- The transaction generated $25.9 million of cash from a common stock PIPE and $1.7 million of cash from ROC's trust account, after giving effect to shareholder redemptions
- Existing DTI shareholders elected to reinvest $10.8 million of the cash they were to receive from the merger into a common stock PIPE and affiliates of ROC's sponsor reinvested the $4.1 million owed to them under convertible promissory notes into the common stock PIPE
- As a result, existing DTI shareholders rolled over 100% of their common shares and over 98% of their preferred shares into common stock of the combined company
- Affiliates of Hicks Equity Partners and other existing DTI shareholders own approximately 73.0% of DTI immediately following the transaction
- DTI utilized a portion of the proceeds from the transaction to repay all amounts outstanding under DTI's revolving credit facility
- The transaction positions DTI, which has a proven acquisition history and strong pipeline of M&A targets, to further pursue accretive consolidation efforts within the small-cap oilfield services market
- DTI is expected to benefit from a streamlined capital structure, with no warrant overhang, a strong, debt-free balance sheet, competitive scale with operations from 22 locations across North America, Europe and the Middle East, and a blue-chip customer base
- Drilling Tools International Corp. common stock is expected to begin trading on Nasdaq at market open on June 21, 2023 under the ticker "DTI"

HOUSTON, TEXAS – (June 20, 2023) — Drilling Tools International Holdings, Inc., a leading oilfield services company that manufactures and provides a differentiated, rental-focused offering of tools for use in horizontal and directional drilling, announced today that it completed its business combination with ROC Energy Acquisition Corp. ("ROC"). The combined company will operate under the name Drilling Tools International Corp. ("DTI" or the "Company").

Commencing June 21, 2023, at the open of trading, DTI's common stock will trade on the Nasdaq Capital Market ("Nasdaq") under the symbol "DTI". The Company will continue to be led by Wayne Prejean, Chief Executive Officer, and David Johnson, Chief Financial Officer, alongside the rest of the current DTI management team.

The transaction was approved by ROC's shareholders at a special meeting held on June 1, 2023 (the "Special Meeting"). Over 83% of the votes cast on the business combination proposal at the Special Meeting were in favor of approving the business combination. ROC's shareholders also voted to approve all other proposals presented at the Special Meeting.

"We are enthusiastic about what lies ahead for DTI as we begin our next chapter as a publicly-traded company," said Wayne Prejean, Chief Executive Officer of DTI. "We close this transaction in a strong strategic position, with zero debt and poised to execute on a pipeline of growth opportunities within our core competency. We could not have reached this point without the dedication and support of our employees, customers and partners, for whom we are grateful. Thank you all."

Daniel Kimes, Chief Executive Officer of ROC added, "The merger between ROC and DTI is the culmination of an incredible amount of work and trust between both parties. We share the belief that it is a very advantageous time to go public. Secular trends in the energy industry point towards increased activity levels across the globe, which will help drive organic growth for DTI. Further, the oilfield services sector is ripe for consolidation, which will spur inorganic growth through M&A. DTI has the balance sheet and the distribution network to make it a natural acquiror in the sector. Finally, the shared vision, industry dynamics and trust in management is why we've committed significant PIPE capital in support of the Company."

Transaction Overview

The transaction generated $25.9 million of cash from a common stock PIPE and $1.7 million of cash from ROC's trust account, after giving effect to shareholder redemptions. In addition, existing DTI shareholders elected to reinvest $10.8 million of the cash they were to receive in the merger into the common stock PIPE, and affiliates of ROC's sponsor reinvested the $4.1 million owed to them under convertible promissory notes into the common stock PIPE. The PIPE transaction, which totaled $40.8 million, included meaningful participation by Fifth Partners, an affiliate of ROC's sponsor, as well as DTI's existing preferred shareholders. A portion of the net proceeds of the transaction was used to repay all amounts outstanding under DTI's revolving credit facility, leaving DTI with zero indebtedness under that facility at closing.

The public listing enables the Company, which has a proven acquisition history and a strong pipeline of M&A targets, to further pursue its strategic consolidation opportunities within the small-cap oilfield services market. DTI expects to benefit from a strong balance sheet, streamlined capital structure, a global footprint of facilities and a blue-chip customer base, which are expected to support continued growth and value creation.

Advisors

Bracewell LLP served as legal advisor to DTI. Winston & Strawn LLP acted as legal advisor to ROC. Jefferies served as capital markets advisor and private placement agent to ROC. Kirkland & Ellis LLP acted as legal counsel for Jefferies. EarlyBirdCapital, Inc. served as financial advisor to ROC.

About Drilling Tools International

DTI (Nasdaq: DTI) is a Houston, Texas based leading oilfield services company that manufactures and rents downhole drilling tools used in horizontal and directional drilling of oil and natural gas wells. DTI operates from 22 locations across North America, Europe and the Middle East. DTI's largest shareholder is an affiliate of Hicks Equity Partners LLC. To learn more about DTI visit: www.drillingtools.com.

About ROC Energy Acquisition Corp.

ROC was a blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. While ROC could have pursued an acquisition in any business industry or sector, it concentrated its efforts on the traditional energy sector in the U.S. ROC was led by Chief Executive Officer Daniel Jeffrey Kimes and Chief Financial Officer Rosemarie Cicalese. To learn more, visit: https://rocspac.com.

Forward-Looking Statements

This press release may include, and oral statements made from time to time by representatives of the Company may include, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements regarding the business combination and the financing thereof, and related matters, as well as all other statements other than statements of historical fact included in this press release are forward-looking statements. When used in this press release, words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions, as they relate to DTI, ROC, or the Company, or their respective management teams, identify forward-looking statements. These forward-looking statements also involve significant risks and uncertainties, some of which are difficult to predict and may be beyond the control of DTI, ROC, and the Company. These risks could cause the actual results to differ materially from the expected results. Factors that may cause such differences include, but are not limited to: (1) the outcome of any legal proceedings that may be instituted in connection with the business combination, (2) the risk that the business combination disrupts current plans and operations of DTI, (3) the inability to recognize the anticipated benefits of the business combination, which may be affected by, among other things, competition, the ability of the Company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain key employees, (4) costs related to the business combination, (5) the ability to continue meeting stock exchange listing standards following consummation of the business combination, (6) changes in applicable laws or regulations, (7) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors, (8) the impact of the global COVID-19 pandemic, and (9) other risks and uncertainties separately provided to you and indicated from time to time described in filings and potential filings by ROC or the Company with the Securities and Exchange Commission ("SEC"). In addition, there are risks and uncertainties described in the definitive proxy statement/prospectus/consent solicitation statement related to the business combination filed with the SEC by ROC on May 12, 2023 (the "Proxy Statement"). Such forward-looking statements are based on the beliefs of management of DTI, ROC and the Company, as well as assumptions made by, and information currently available to, DTI's, ROC's and the Company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors detailed in the Proxy Statement. All subsequent written or oral forward-looking statements attributable to the Company or persons acting on its behalf are qualified in their entirety by this paragraph. Forward-looking statements are subject to numerous conditions, many of which are beyond the control of each of DTI, ROC, and the Company, including those set forth in the Risk Factors section of the Proxy Statement. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law. References to a debt-free balance sheet refer to borrowings under DTI's revolving credit facility.

Contacts:

Investor Relations

Sioban Hickie, ICR, Inc.
InvestorRelations@drillingtools.com

Public Relations

PublicRelations@drillingtools.com

Source: Drilling Tools International Corp.