

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

**FORM 10-K**

**FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

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

**For the fiscal year ended December 31, 2021**

**OR**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number 0-24429**

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**

**(Exact Name of Registrant as Specified in Its Charter)**

**Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)**

**13-3728359  
(I.R.S. Employer  
Identification No.)**

**300 Frank W. Burr Blvd.  
Teaneck, New Jersey 07666**

**(Address of Principal Executive Offices including Zip Code)**

**Registrant's telephone number, including area code: (201) 801-0233**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, \$0.01 par value per share	CTSH	The Nasdaq Stock Market LLC

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

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

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

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

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

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The aggregate market value of the registrant's voting shares of common stock held by non-affiliates of the registrant on June 30, 2021, based on \$69.26 per share, the last reported sale price on the Nasdaq Global Select Market of the Nasdaq Stock Market LLC on that date, was \$36.4 billion.

The number of shares of Class A common stock, \$0.01 par value, of the registrant outstanding as of February 11, 2022 was 524,534,828 shares.

**DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference into the Annual Report on Form 10-K: Portions of the registrant's definitive Proxy Statement for its 2022 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

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## GLOSSARY

<b>Defined Term</b>	<b>Definition</b>
10b5-1 Plan	Trading plan adopted pursuant to Rule 10b5-1 of the Exchange Act
10 <sup>th</sup> Magnitude	Pamlico 10th Magnitude Blocker LLC, now known as Cognizant 10th Magnitude Blocker, LLC
2009 Incentive Plan	Cognizant Technology Solutions Corporation Amended and Restated 2009 Incentive Compensation Plan
2017 Incentive Plan	Cognizant Technology Solutions Corporation 2017 Incentive Award Plan
Adjusted Diluted EPS	Adjusted diluted earnings per share
AI	Artificial Intelligence
APA	Advance Pricing Agreement
ASC	Accounting Standards Codification
ASR	Accelerated Stock Repurchase
ASU	Accounting Standards Update
Bright Wolf	Bright Wolf, LLC
CC	Constant Currency
Class Action Settlement Loss	Loss recorded in connection with the filing of a settlement agreement that resolved the consolidated putative securities class action against us and certain of our former officers
CMT	Communications, Media and Technology
Code	The Code on Social Security, 2020
Code Zero	Code Zero, LLC
Collaborative Solutions	Collaborative Solutions Holdings, LLC
COVID-19	The novel coronavirus disease
COVID-19 Charges	Costs directly related to the COVID-19 pandemic
CPI	Consumer Price Index
Credit Agreement	Credit agreement with a commercial bank syndicate, as amended
Credit Loss Standard	ASC Topic 326 "Financial Instruments - Credit Losses"
CTS India	Our principal operating subsidiary in India
D&I	Diversity and Inclusion
Devbridge	Devbridge Group LLC
DevOps	Agile relationship between development and IT operations
DOJ	United States Department of Justice
DSO	Days Sales Outstanding
EI-Technologies	Entrepreneurs et Investisseurs Technologies SAS
EPS	Earnings Per Share
ESG	Environmental, social and corporate governance
ESG Mobility	ESG Mobility GmbH
EU	European Union
EVP	Employee Value Proposition
Exchange Act	Securities Exchange Act of 1934, as amended
Executive Transition Costs	Costs associated with our CEO transition and the departure of our President in 2019
FASB	Financial Accounting Standards Board
FCPA	Foreign Corrupt Practices Act
FS	Financial Services
GAAP	Generally Accepted Accounting Principles in the United States of America
HC	Healthcare
High Court	Madras High Court
HR	Human Resources

Hunter	Certain net assets of Hunter Technical Resources, LLC
Inawisdom	Inawisdom Limited
India Defined Contribution Obligation	Certain statutory defined contribution obligations of employees and employers in India
India Tax Law	New tax regime enacted by the Government of India effective April 1, 2019
IP	Intellectual property
IoT	Internet of Things
IRS	Internal Revenue Service
IT	Information Technology
ITD	Indian Income Tax Department
Lev	Levementum, LLC
Linium	The ServiceNow business of Ness Digital Engineering
Magenic	Magenic Technologies, LLC
MAT	Minimum Alternative Tax
New Lease Standard	ASC Topic 842 “Leases”
New Signature	BSI Corporate Holdings, Inc.
OECD	Organization for Economic Co-operation and Development
PSU	Performance Stock Units
Purchase Plan	Cognizant Technology Solutions Corporation 2004 Employee Stock Purchase Plan, as amended
P&R	Products and Resources
ROU	Right of Use
RSU	Restricted Stock Units
SaaS	Software as a service
Samlink	Oy Samlink Ab
Samlink Impact	The reduction of revenue and accrual of expenses recorded in 2020 in connection with our settlement offer to exit from a large customer engagement of our Samlink subsidiary
SCI	Supreme Court of India
SEC	United States Securities and Exchange Commission
Second Circuit	United States Court of Appeals for the Second Circuit
Servian	SVN HoldCo Pty Limited
SEZ	Special Economic Zone
SG&A	Selling, general and administrative
Syntel	Syntel Sterling Best Shores Mauritius Ltd.
Tax on Accumulated Indian Earnings	The income tax expense related to the reversal of our indefinite reinvestment assertion on Indian earnings accumulated in prior years
Tax Reform Act	Tax Cuts and Jobs Act
Term Loan	Unsecured term loan under the Credit Agreement
Third Circuit	United States Court of Appeals for the Third Circuit
Tin Roof	Tin Roof Software, LLC
TQS	TQS Integration Limited
TriZetto	The TriZetto Group, Inc., now known as Cognizant Technology Software Group, Inc.
USDC-NJ	United States District Court for the District of New Jersey
USDC-SDNY	United States District Court for the Southern District of New York

## PART I

### Item 1. Business

#### Overview

Cognizant is one of the world's leading professional services companies, engineering modern business for the digital era. Our services include digital services and solutions, consulting, application development, systems integration, application testing, application maintenance, infrastructure services and business process services. Digital services have become an increasingly important part of our portfolio, aligning with our clients' focus on becoming data-enabled, customer-centric and differentiated businesses. We are continuing to invest in digital services with a focus on four key areas: IoT, digital engineering, data and cloud. We tailor our services and solutions to specific industries with an integrated global delivery model that employs client service and delivery teams based at client locations and dedicated global and regional delivery centers. We help clients modernize technology, reimagine processes and transform experiences so they can stay ahead in a fast-changing world.

Our purpose, vision and values comprise the Cognizant Agenda.

#### The Cognizant agenda

The graphic is titled "The Cognizant agenda" and is divided into three vertical sections on the left and two main text blocks on the right. The left sections are: "OUR PURPOSE Why we exist" (dark blue), "OUR VISION What we aspire to achieve" (medium blue), and "OUR VALUES How we work" (light blue). The right side features two main text blocks: "We engineer modern businesses to improve everyday life." and "To become the preeminent technology services partner to the Global 2000 C-Suite." Below these are six icons with corresponding text: 1. Start with a point of view (magnifying glass icon), 2. Seek data, build knowledge (database icon), 3. Always strive, never settle (climbing stairs icon), 4. Work as one (gears icon), 5. Create conditions for everyone to thrive (group of people icon), 6. Do the right thing, the right way (shield icon).

In order to achieve this vision and support our clients, we are focusing our business on four strategic priorities to increase our commercial momentum and accelerate growth. These strategic priorities include:

- Accelerating digital - growing our digital business organically and inorganically;
- Globalizing Cognizant - accelerating the growth of our business in key international markets and diversifying our leadership, capabilities and delivery footprint;
- Repositioning our brand - improving global brand recognition and becoming better known as a global digital partner to the entire C-suite; and
- Increasing our relevance to our clients - leading with thought leadership and capabilities to address clients' business needs.

We seek to drive organic growth through investments in our digital capabilities across industries and geographies, including the extensive training and reskilling of our technical teams and the expansion of our local workforces in the United States and other markets around the world. Additionally, we pursue select strategic acquisitions that can expand our talent, experience and capabilities in key digital areas or in particular geographies or industries. In 2021, we completed seven such acquisitions. See [Note 3](#) to our consolidated financial statements for additional information.

#### Business Segments

We go to market across our four industry-based business segments. Our clients seek to partner with service providers that have a deep understanding of their businesses, industry initiatives, customers, markets and cultures and the ability to create solutions tailored to meet their individual business needs. Across industries, our clients are confronted with the risk of being disrupted by nimble, digital-native competitors. They are therefore redirecting their focus and investment to digital operating models and embracing DevOps and key technologies that enable quick adjustments to shifts in their markets. We believe that our deep knowledge of the industries we serve and our clients' businesses has been central to our growth and high client satisfaction, and we continue to invest in those digital capabilities that help to enable our clients to become modern businesses.

Our business segments are as follows:

<b><u>Financial Services (FS)</u></b>	<b><u>Healthcare (HC)</u></b>	<b><u>Products and Resources (P&amp;R)</u></b>	<b><u>Communications, Media and Technology (CMT)</u></b>
<ul style="list-style-type: none"><li>• Banking</li><li>• Insurance</li></ul>	<ul style="list-style-type: none"><li>• Healthcare</li><li>• Life Sciences</li></ul>	<ul style="list-style-type: none"><li>• Retail and Consumer Goods</li><li>• Manufacturing, Logistics, Energy and Utilities</li><li>• Travel and Hospitality</li></ul>	<ul style="list-style-type: none"><li>• Communications and Media</li><li>• Technology</li></ul>

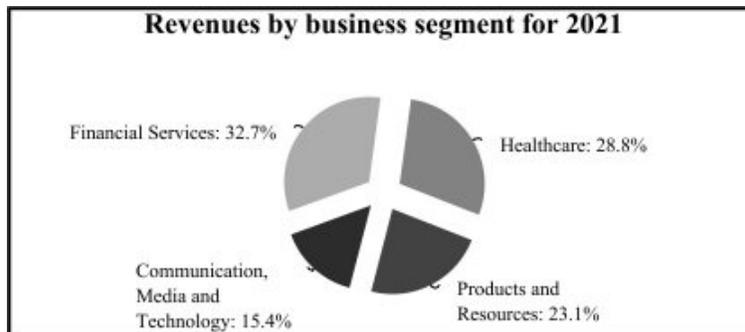
Our FS segment includes banking, capital markets and insurance companies. Demand in this segment is driven by our clients' need to serve their customers while being compliant with significant regulatory requirements and adaptable to regulatory change, as well as our clients' adoption and integration of digital technologies, including customer experience enhancement, robotic process automation, analytics and AI in areas such as digital lending, fraud detection and next generation payments. In addition to platforms that drive outcomes at speed, demand is also created by our clients' desire to reduce complexity through packaged solutions and suppliers with embedded product partners.

Our HC segment consists of healthcare providers and payers as well as life sciences companies, including pharmaceutical, biotech and medical device companies. Demand in this segment is driven by emerging industry trends, including the shift towards consumerism, outcome-based contracting, digital health and delivering integrated seamless, omni-channel, patient-centered experiences. These trends result in increased demand for services that drive operational improvements in areas such as clinical development, pharmacovigilance and manufacturing, as well as claims processing, enrollment, membership and billing. Demand is also created by the adoption and integration of digital technologies such as AI to shape personalized care plans and predictive data analytics to improve clinical trial designs, patient engagement and care outcomes.

Our P&R segment includes manufacturers, retailers and travel and hospitality companies, as well as companies providing logistics, energy and utility services. Demand in this segment is driven by our clients' focus on improving the efficiency of their operations, the enablement and integration of mobile platforms to support sales and other omni-channel commerce initiatives, and their adoption and integration of digital technologies, such as the application of intelligent systems to manage supply chains and enhance overall customer experiences, and IoT to instrument functions for factories, real estate, fleets and products to increase access to insight-generating data.

Our CMT segment includes information, media and entertainment, communications and technology companies. Demand in this segment is driven by our clients' need for services related to digital content, the creation of personalized user experiences, acceleration of digital engineering and access to new revenue streams to drive growth.

For the year ended December 31, 2021, the distribution of our revenues across our four industry-based business segments was as follows:



The services we provide are distributed among a number of clients in each of our business segments. A loss of a significant client or a few significant clients in a particular segment could materially reduce revenues for that segment. The services we provide to our larger clients are often critical to their operations and a termination of our services would typically require an extended transition period with gradually declining revenues. Nevertheless, the volume of work performed for specific clients may vary significantly from year to year.

See [Note 2](#) to our consolidated financial statements for additional information related to disaggregation of revenues by client location, service line and contract-type for each of our business segments.

## Services and Solutions

Our services include digital services and solutions, consulting, application services, systems integration, infrastructure services and business process services. Additionally, we develop, license, implement and support proprietary and third-party software products and platforms. Central to our strategy to align with our clients' need to modernize is our continued investment in digital, with a focus on four key areas: IoT, digital engineering, data and cloud. These four capabilities enable clients to put data at the core of their operations, improve the experiences they offer to their customers, tap into new revenue streams, automate operations, defend against technology-enabled competitors and reduce costs. In many cases, our clients' new digital systems are built on the backbone of their existing legacy systems, which can increase complexity and impact business continuity. The COVID-19 pandemic accelerated our clients' need to modernize their businesses, which has led to increased demand for digital capabilities such as mobile workplace solutions, e-commerce, automation, AI and cybersecurity services and solutions. We believe our deep knowledge of our clients' infrastructure and systems provides us with a significant advantage as we work with them to build new digital capabilities to make their operations more efficient, effective and modern. We deliver all of our services and solutions across our four industry-based business segments to best address our clients' individual needs.

In 2021, our services and solutions were organized into two practice areas: Digital Business & Technology and Digital Business Operations. Our consulting professionals have deep industry-specific expertise and work closely with our practice areas to create modern frameworks, platforms and solutions that leverage a wide range of digital technologies across our clients' businesses to deliver higher levels of efficiency and new value for their customers.

### ***Digital Business & Technology***

Our Digital Business & Technology practice helps clients build modern enterprises that apply the power of cloud, data, software, and IoT to help them perform better and innovate faster. Our clients are able to embrace a new business and technology stack that comprises consumer-grade software, enterprise applications, modernized data and the instrumentation of everything in cloud-first architectures. Areas of focus within this practice are:

- interactive, which leverages our global network of studios that help clients craft new experiences;
- application modernization, which updates legacy applications using agile methodologies and cloud;
- AI and analytics, which drive business growth and efficiencies through a greater understanding of customers and operations;
- IoT, which unlocks greater productivity and new business models;
- experience-driven software engineering, which designs, engineers and delivers modern business software;
- application services;
- quality engineering and assurance; and
- cloud, infrastructure and security.

### ***Digital Business Operations***

Our Digital Business Operations practice helps clients build and run modern operating models that are adaptive, efficient, and human-centric. We achieve this through two main vehicles – intelligent process automation and outsourced business process services.

Our intelligent process automation advisory, implementation and managed services experts partner with clients to transform end to end processes, design and manage the next-generation human and digital workforce, enable seamless experiences for customers and employees, and achieve multi-fold productivity increases. Our outsourced business process services help clients transform and run functions and industry-specific processes such as finance and accounting, omni-channel customer care, loan origination, and pharmacovigilance. Outsourced services can help accelerate digital transformation and deliver business outcomes including revenue growth, increased customer satisfaction and cost savings. For digital native clients in areas such as FinTech, InsurTech and MedTech, our outsourced business process services deliver the operational support needed to rapidly scale, innovate and capitalize on opportunities. Areas of focus within this practice are:

- automation, analytics and consulting for business process outsourcing;
- platform-based operations; and
- core business process operations.

## Global Delivery Model

We use a global delivery model, with delivery centers worldwide to provide our full range of services to our clients. Our delivery model includes employees deployed at client sites, local or in-country delivery centers, regional delivery centers and offshore delivery centers, as required to best serve our clients. As we scale our digital services and solutions, we are focused on hiring in the United States and other countries where we deliver services to our clients to expand our in-country delivery capabilities. Our extensive facilities, technology and communications infrastructure are designed to enable the effective collaboration of our global workforce across locations and geographies.

## Competition

The markets for our services are highly competitive, characterized by a large number of participants and subject to rapid change. Competitors may include systems integration firms, contract programming companies, application software companies, cloud computing service providers, traditional consulting firms, professional services groups of computer equipment companies, infrastructure management companies, outsourcing companies and boutique digital companies. Our direct competitors include, among others, Accenture, Atos, Capgemini, Deloitte Digital, DXC Technology, EPAM Systems, Genpact, HCL Technologies, IBM Consulting, Infosys Technologies, Tata Consultancy Services and Wipro. In addition, we compete with numerous smaller local companies in the various geographic markets in which we operate.

The principal competitive factors affecting the markets for our services include the provider's reputation and experience, strategic advisory capabilities, digital services capabilities, performance and reliability, responsiveness to customer needs, financial stability, corporate governance and competitive pricing of services. Accordingly, we rely on the following to compete effectively:

- investments to scale our digital services;
- our recruiting, training and retention model;
- our global delivery model;
- an entrepreneurial culture and approach to our work;
- a broad client referral base;
- investment in process improvement and knowledge capture;
- financial stability and good corporate governance;
- continued focus on responsiveness to client needs, quality of services and competitive prices; and
- project management capabilities and technical expertise.

## Intellectual Property

We provide value to our clients based, in part, on our proprietary innovations, methodologies, software, reusable knowledge capital and other IP assets. We recognize the importance of IP and its ability to differentiate us from our competitors. We seek IP protection for many of our innovations and rely on a combination of patent, copyright and trade secret laws, confidentiality procedures and contractual provisions, to protect our IP. We have registered, and applied for the registration of, U.S. and international trademarks, service marks, and domain names to protect our brands, including our Cognizant brand, which is one of our most valuable assets. We own or are licensed under a number of patents, trademarks and copyrights of varying duration, relating to our products and services. We also have policies requiring our employees to respect the IP rights of others. While our proprietary IP rights are important to our success, we believe our business as a whole is not materially dependent on any particular IP right or any particular group of patents, trademarks, copyrights or licenses, other than our Cognizant brand.

Cognizant® and other trademarks appearing in this report are registered trademarks or trademarks of Cognizant and its affiliates in the United States and other countries, or third parties, as applicable.

## Workforce

We had approximately 330,600 employees at the end of 2021, with 40,900 in North America, 15,700 in Continental Europe, 8,100 in the United Kingdom and 265,900 in various other locations throughout the rest of the world, including 240,000 in India. This represents an increase of 41,100 employees as compared to December 31, 2020. We utilize subcontractors to provide additional capacity and flexibility in meeting client demand, though the number of subcontractors has historically been immaterial relative to our employee headcount. We are not party to any significant collective bargaining agreements.

We balance the portion of our employees in the United States and other jurisdictions that rely on visas with consideration of the needs of our business to fulfill client demand and risks to our business from potential changes in immigration laws and regulations that may increase the costs associated with and ability to staff employees on visas to work in-country. Currently, less than 50% of our employees in the United States hold H-1B and L-1 visas.

## Engaging Our People

As a global professional services company, Cognizant competes on the basis of the knowledge, experience, insights, skills and talent of its employees and the value they can provide to our clients. We aim for our employees to feel motivated, engaged, and empowered to do their best work through careers they find meaningful. In a market where competition for skilled IT professionals is intense, we focus on the following:

- **Engagement & Retention:** Cognizant aims to provide a compelling employee value proposition, or EVP, that inspires current and potential employees from all backgrounds and geographies. In 2021, we strengthened the articulation of our EVP and took targeted actions across the employee lifecycle to enhance the employee experience. We also trained top leaders, people managers, our HR team and other critical functions to deliver the EVP through their roles.

We regularly assess employee sentiment through third-party engagement surveys, leader listening sessions and interactions on our internal channels. On an annual basis, after each engagement survey, we develop and communicate clear action plans to continue to build on our strengths and address shortfalls.

We regularly monitor employee retention levels. Competition for skilled employees in the current labor market is intense, and we experienced significantly elevated attrition during 2021. We continue to enhance our pay-for-performance approach and increase our efforts with respect to recruitment, talent management and employee engagement. For the three months ended December 31, 2021 and 2020, our annualized attrition rate, including both voluntary and involuntary, was 34.6% and 19.0%, respectively. Our attrition rate for the years ended December 31, 2021 and 2020, including both voluntary and involuntary, was 30.8% and 20.6%, respectively. Our attrition is weighted towards our more junior employees. In 2021, voluntary attrition constituted the vast majority of our attrition for the period. In comparison, voluntary attrition in 2020 represented only approximately half of our attrition for the period as our personnel actions taken under our Fit for Growth Plan increased involuntary attrition while voluntary attrition was suppressed due to the COVID-19 pandemic.

- **Advancing Diversity & Inclusion:** We strive to continually improve upon D&I over the long term. A diverse and inclusive workforce strengthens our ability to innovate and to understand our clients' needs and aspirations.

Highlights from our D&I efforts include:

- Global D&I organization embedded within our HR function to drive accountability through our people processes and systems;
- Global D&I training and programs, including allyship and inclusive mindset training for leaders;
- Progressive hiring policies, including a diverse candidate pipeline initiative to ensure a more diverse interview slate at the Vice President level and above; and
- Seven global affinity groups that welcome, nurture and provide safe spaces in which our employees can share their unique interests and aspirations.

As of December 31, 2021, women accounted for 38% of our workforce as compared to 36% as of December 31, 2020.

In our 2021 engagement survey, D&I continued to score higher than external benchmark, showing as a consistent strength for our company.

- **High Performance Culture:** We aim to create a work environment where every person is inspired to achieve, driven to perform and rewarded for their contributions. Our culture of meritocracy fosters individual and team high performance to fuel our growth.

Highlights include:

- Regular, performance-based promotions and merit increases as one lever to engage high-performing talent. During the 2021 cycle, we were proud to promote employees across all levels and provide merit increases to a significant number of our employees;

- An internal job moves initiative, launched in 2021, focused on encouraging high performing employees to find their next job at Cognizant. This program is enhancing career velocity and bringing fresh thinking to our clients as employees take on new lateral and next-level opportunities across the Company; and
- Continuously fostering a culture focused on recognition, Cognizant has created programs to reward all levels of employees through both monetary recognition as well as peer driven non-monetary recognition.
- **Learning & Development:** Clients count on us to know their industries, businesses, and technology environments, readily gain new digital skills and insights, and apply our knowledge to help them increase their competitiveness. We facilitate upward and cross-career growth through role and skill-based training and a robust learning ecosystem for employees at all levels.

Highlights include:

- Robust technical programs that reskill and upskill our employees with a focus on building digital skills in areas such as IoT, digital engineering, data and cloud;
- The 2021 launch of the Cognizant Integrated Higher Education Program in India, a collaboration with premier institutions that empowers employees to earn a Masters of Technology degree while remaining employed with Cognizant. As part of the initiative, Cognizant sponsors an employee’s final semester fee, as well as offers a loan to cover course fees for the first year;
- Several innovative pre-employment training programs for graduates and early to mid-career professionals that focus on cultivating technology skills required for the next-generation workforce; and
- Recognition of our talent development approach by leading learning and development organizations, such as the Association for Talent Development, the Brandon Hall Group and the Learning and Performance Institute.
- **Leadership Development & Talent Management:** Cognizant continuously fosters and builds its pipeline of diverse, high-performing leaders who have the breadth and versatility to drive our growth. To do this, we focus on engaging senior talent and enabling their success through continuous assessment and high impact development opportunities.

Highlights include:

- Targeted talent programs for key pools that include various training opportunities, digital leadership programs, custom leadership development initiatives and leadership transition programs to equip employees for taking on a leadership role;
- Fast-tracking high-performing and high-potential leadership talent through personalized assessments, executive coaching and executive education programs;
- Accelerating a diverse leadership pipeline through programs like Propel, an initiative focused on priming the next level of women leaders within Cognizant. In 2021, we reached a critical milestone, exceeding our pledge to put 1,000 women leaders globally through the program;
- More than 600 leaders have participated in our LEAD@Cognizant partnership with Harvard University, which is a 4.5-month leadership capability program designed exclusively for Cognizant leaders to learn, practice and internalize how to set the course, connect the dots, inspire followership and deliver results through strategic alignment, collaboration and building high performing teams; and
- Periodic talent processes such as talent reviews aim to help individuals develop in role and prepare for the future, while strengthening our leadership pipeline overall.
- **Supporting Wellbeing at Work and Home:** We offer benefits to care for the diverse needs of our employees and keep them feeling resilient, innovative and engaged. These include total compensation programs, health benefits, overall well-being and family care, tax savings programs, income protection and financial planning resources. As we continue to face evolving environmental and health challenges, we continually review and enhance our offerings to improve the competitiveness of our total compensation programs, including our health benefit offerings.

Highlights include:

- Our WorkFlex program, which provides employees greater flexibility to complete their required hours outside their standard schedule or to transition to a part-time schedule to accommodate personal priorities;
- Various benefits to support employee mental health, including a robust Employee Assistance Program, peer support through trained employees who serve as mental health champions, and mental health insurance

coverage in most countries. In the United States, we also provide access to third party mental health platforms, including Ginger and eMindful; and

- The launch of Operation C3 in April 2021, as the second wave of the COVID-19 pandemic gripped India. This initiative facilitated vaccination for our Indian employees and their dependents, and set up vaccination drives across the country to help senior citizens, physically challenged dependents, and mothers with infants. Operation C3 also provided critical medical equipment to hospitals, helped to boost oxygen supplies and more.

## Governmental Regulation and Environmental Matters

As a result of the size, breadth and geographic diversity of our business, our operations are subject to a variety of laws and regulations in the jurisdictions in which we operate, including with respect to import and export controls, temporary work authorizations or work permits and other immigration laws, content requirements, trade restrictions, tariffs, taxation, anti-corruption, the environment, government affairs, internal and disclosure control obligations, data privacy, intellectual property, employee and labor relations. For additional information, see [Part I, Item 1A. Risk Factors](#).

## Information About Our Executive Officers

The following table identifies our current executive officers:

Name	Age	Capacities in Which Served	In Current Position Since
Brian Humphries <sup>(1)</sup>	48	Chief Executive Officer	2019
Jan Siegmund <sup>(2)</sup>	57	Chief Financial Officer	2020
Robert Telesmanic <sup>(3)</sup>	55	Senior Vice President, Controller and Chief Accounting Officer	2017
John Kim <sup>(4)</sup>	54	Executive Vice President, General Counsel, Chief Corporate Affairs Officer and Secretary	2021
Rebecca Schmitt <sup>(5)</sup>	48	Executive Vice President, Chief People Officer	2020
Balu Ganesh Ayyar <sup>(6)</sup>	60	Executive Vice President and President, Digital Operations	2019
Gregory Hyttenrauch <sup>(7)</sup>	54	Executive Vice President and President, North America	2021
Ursula Morgenstern <sup>(8)</sup>	56	Executive Vice President and President, Global Growth Markets	2020
Rajesh Nambiar <sup>(9)</sup>	54	Executive Vice President and President, Digital Business and Technology	2021
Andrew Stafford <sup>(10)</sup>	57	Executive Vice President, Head of Global Delivery	2020

(1) Brian Humphries has been our Chief Executive Officer and a member of the Board of Directors since April 2019. Prior to joining Cognizant, he served as Chief Executive Officer of Vodafone Business, a division of Vodafone Group, from 2017 until 2019. Mr. Humphries joined Vodafone from Dell Technologies where he served as President and Chief Operating Officer of Dell's Infrastructure Solutions Group from 2016 to 2017, President of Dell's Global Enterprise Solutions from 2014 to 2016, and Vice President and General Manager, EMEA Enterprise Solutions from 2013 to 2014. Before joining Dell, Mr. Humphries was with Hewlett-Packard where his roles from 2008 to 2013 included Senior Vice President, Emerging Markets, Senior Vice President, Strategy and Corporate Development, and Chief Financial Officer of HP Services. The early part of his career was spent with Compaq and Digital Equipment Corporation. Mr. Humphries brings to the Board extensive leadership and global operations management experience from having served at public companies in the technology sector. He holds a bachelor's degree in Business Administration from the University of Ulster, Northern Ireland.

(2) Jan Siegmund has been our Chief Financial Officer since September 2020. Prior to joining Cognizant, Mr. Siegmund spent over 19 years with Automatic Data Processing (ADP), where he served as Corporate Vice President and Chief Financial Officer from 2012 to 2019 and Chief Strategy Officer and President of the Added Value Services Division from 1999 to 2012. He began his career at McKinsey & Company as a Senior Engagement Manager. Mr. Siegmund is a member of the Board of Directors of The Western Union Company, where he is Chair of the Audit Committee and a member of the Compliance Committee. He holds a master's degree in Industrial Engineering from Technical University Karlsruhe, Germany, a master's degree in Economics from the University of California, Santa Barbara and a doctorate in Economics from Technical University of Dresden, Germany.

(3) Robert Telesmanic has been our Senior Vice President, Controller and Chief Accounting Officer since January 2017, a Senior Vice President since 2010 and our Corporate Controller since 2004. Prior to that, he served as our Assistant Corporate Controller from 2003 to 2004. Prior to joining Cognizant, Mr. Telesmanic spent over 14 years with Deloitte &

- Touche LLP. Mr. Telesmanic has a Bachelor of Science degree from New York University and an MBA degree from Columbia University.
- (4) John Kim has been our Executive Vice President, General Counsel, Chief Corporate Affairs Officer and Secretary since March 2021. Previously, he served as our Senior Vice President and Deputy General Counsel, Global Commercial Contracts. Prior to joining Cognizant in 2019, Mr. Kim held a variety of senior leadership roles at Capgemini from January 2012 to November 2019, including Global Head of Big Deals. Prior to Capgemini, Mr. Kim served as U.S. Counsel for WNS Global Services from July 2009 to June 2011 and held a variety of leadership roles at Cendant Travel Distribution Services (now known as Travelport) from January 2001 to June 2006, including General Counsel and Chief Compliance Officer. He holds a bachelor's degree in English Literature from Columbia University and obtained his law degree from Cornell Law School.
  - (5) Rebecca (Becky) Schmitt has been our Executive Vice President, Chief People Officer since February 2020. Prior to joining Cognizant, Ms. Schmitt was the Chief People Officer of Sam's Club, a division of Walmart, Inc. from October 2018 through January 2020. Prior to that, she served as SVP, Chief People Officer, US eCommerce & Corporate Functions for Walmart from October 2016 through September 2018 and as VP, HR - Technology from February 2016 until October 2016. Prior to joining Walmart, Ms. Schmitt spent over 20 years with Accenture plc in various human resources roles, culminating in her role as HR Managing Director, North America Business from March 2014 through February 2016. Ms. Schmitt has a Bachelor of Arts degree from University of Michigan, Ann Arbor.
  - (6) Balu Ganesh Ayyar has been our Executive Vice President and President, Digital Operations since August 2019. Prior to joining Cognizant, Mr. Ayyar was the CEO of Mphasis, a global IT services company listed in India, from 2009 to 2017. Prior to Mphasis, Mr. Ayyar spent nearly two decades with Hewlett-Packard, holding a variety of leadership roles across multiple geographies.
  - (7) Gregory Hyttenrauch has been our Executive Vice President and President, North America since January 2021. Prior to that he served as our Executive Vice President and President, Cognizant Digital Systems & Technology from December 2019 to January 2021. Prior to joining Cognizant, Mr. Hyttenrauch served as Director, Global Cloud and Security Services for Vodafone from October 2015 to November 2019. Prior to Vodafone, Mr. Hyttenrauch held a variety of senior leadership positions at Capgemini from 2008 to 2015, including Deputy CEO, Global Infrastructure Services, and Global Sales Officer and CEO of the UK and Nordic Outsourcing Business Unit. Before joining Capgemini, Mr. Hyttenrauch held positions with CSC and EDS. He began his career with 13 years in the Canadian military, rising to the rank of captain. Mr. Hyttenrauch holds a bachelor's degree in Mechanical Engineering from the Royal Military College of Canada and an MBA in International Management from the University of Ottawa.
  - (8) Ursula Morgenstern has been our Executive Vice President and President, Global Growth Markets, which covers all of Cognizant's markets outside of North America, since December 2020. Prior to joining Cognizant, Ms. Morgenstern spent 16 years with Atos, a multinational IT services and consulting company in various management roles from 2004 to 2020, most recently as Head of Atos Central Europe from April 2020 to October 2020, CEO of Atos Germany from March 2018 to October 2020, and Global Head of Business and Platform Solutions from July 2015 to February 2018. Before Atos, Ms. Morgenstern was a partner with KPMG from 1998 to 2002. Her other previous roles include General Manager of K&V Information Systems from 1996 to 1998 and Project Manager for Kiefer & Veittinger from 1991 to 1996. She holds a bachelor's degree in Business Management from the University of Mannheim and an MBA from York University (Toronto).
  - (9) Rajesh Nambiar has been our Executive Vice President and President, Digital Business and Technology and Chairman of Cognizant India since June 2021. Previously, he served as our Executive Vice President and Chairman of Cognizant India. Prior to joining Cognizant in November 2020, Mr. Nambiar served as Chairman and President of Ciena India from May 2019 to October 2020. Mr. Nambiar was General Manager and Global Leader of Application Services at IBM from January 2017 to April 2019 and Managing Partner, Global Delivery and Services Integration Hub at IBM from January 2015 to December 2016. He held a variety of other senior leadership roles at IBM from November 2006 to December 2014. He began his career at Tata Consultancy Services where he worked for more than 17 years. Mr. Nambiar holds a master's degree in Statistics from the Indian Statistical Institute in Kolkata and is a graduate of Harvard Business School's Advanced Management Program.
  - (10) Andrew (Andy) Stafford has been our Head of Global Delivery since July 2020. Prior to joining Cognizant, he held a variety of executive positions, including Group Chief Operating Officer of Computacenter PLC from July 2017 to November 2018, and was Global Head of Services and Delivery for Unisys Inc. from April 2016 to May 2017. Mr. Stafford also spent nearly two decades with Accenture, first from 1988 to 1997 and then again from 2005 to 2013, in various leadership roles, the most recent being Senior Managing Director (Global Lead) from July 2012 to November 2013 and Managing Director of the Asia Pacific Region from 2009 to 2012. In between stints at Accenture, he was the Chief Operating Officer at Xchanging from September 2001 to November 2003, Chief Technology Officer at Virgin.com from September 2000 to March 2001, and he also spent time at Deloitte Consulting and Computacenter PLC. He holds a bachelor's degree in Electrical Engineering and Electronics from the University of Manchester Institute of Science and Technology in Manchester, England.

None of our executive officers is related to any other executive officer or to any of our Directors. Our executive officers are appointed annually by the Board of Directors and generally serve until their successors are duly appointed and qualified.

## **Corporate History**

We began our IT development and maintenance services business in early 1994 as an in-house technology development center for The Dun & Bradstreet Corporation and its operating units. In 1996, we were spun-off from The Dun & Bradstreet Corporation and, in 1998, we completed an initial public offering to become a public company.

## **Available Information**

We make available the following public filings with the SEC free of charge through our website at [www.cognizant.com](http://www.cognizant.com) as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC:

- our Annual Reports on Form 10-K and any amendments thereto;
- our Quarterly Reports on Form 10-Q and any amendments thereto; and
- our Current Reports on Form 8-K and any amendments thereto.

No information on our website is incorporated by reference into this Form 10-K or any other public filing made by us with the SEC.

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## Item 1A. Risk Factors

*We face various important risks and uncertainties, including those described below, that could adversely affect our business, results of operations and financial condition and, as a result, cause a decline in the trading price of our common stock.*

### Risks Related to our Business and Operations

**Our results of operations could be adversely affected by economic and political conditions globally and in particular in the markets in which our clients and operations are concentrated.**

Global macroeconomic conditions have a significant effect on our business as well as the businesses of our clients. Volatile, negative or uncertain economic conditions could cause our clients to reduce, postpone or cancel spending on projects with us and could make it more difficult for us to accurately forecast client demand and have available the right resources to profitably address such client demand. Clients may reduce demand for services quickly and with little warning, which may cause us to incur extra costs where we have employed more personnel than client demand supports.

Our business is particularly susceptible to economic and political conditions in the markets where our clients or operations are concentrated. Our revenues are highly dependent on clients located in the United States and Europe, and any adverse economic, political or legal uncertainties or adverse developments, including due to the uncertainty related to the COVID-19 pandemic, may cause clients in these geographies to reduce their spending and materially adversely impact our business. Many of our clients are in the financial services and healthcare industries, so any decrease in growth or significant consolidation in these industries or regulatory policies that restrict these industries may reduce demand for our services. Economic and political developments in India, where a significant majority of our operations and technical personnel are located, or in other countries where we maintain delivery operations, may also have a significant impact on our business and costs of operations. As a developing country, India has experienced and may continue to experience high inflation and wage growth, fluctuations in gross domestic product growth and volatility in currency exchange rates, any of which could materially adversely affect our cost of operations. Additionally, we benefit from governmental policies in countries that encourage foreign investment and promote the ease of doing business, such as tax incentives, and any change in policy or circumstances that results in the elimination of such benefits or degradation of the rule of law, or imposition of new adverse restrictions or costs on our operations could have a material adverse effect on our business, results of operations and financial condition.

**The COVID-19 pandemic has had a significant and continuing adverse impact upon, and this or other pandemics may have a material adverse impact upon, our business, liquidity, results of operations and financial condition.**

The ongoing global COVID-19 pandemic has caused and continues to cause significant loss of life and interruption to the global economy and has resulted in the curtailment of activities by businesses and consumers in much of the world as governments and others seek to limit the spread of the disease, including through business and transportation shutdowns and restrictions on people's movement and congregation. Among other things, many of our and our clients' offices have been closed and employees have been working from home and many consumer-facing businesses have closed or are operating at a significantly reduced level to observe various social distancing requirements and government-mandated measures. The overall result has included a dramatic reduction in activity in the global economy and significant adverse impacts to the financial markets, including the trading price of our common stock in the past and potentially in the future.

The COVID-19 pandemic has had a significant and continuing adverse impact upon, and this or other pandemics may have a material adverse impact upon, our business, liquidity, results of operations and financial condition, including as a result of the following:

- *Reduced client demand for services* – The vast majority of our business is with clients in the United States, the United Kingdom and other countries in Europe, all regions that have been hard hit by the pandemic. The COVID-19 pandemic at times reduced, and other future pandemics could reduce, demand for our services, particularly in regions that have been hit hard by the pandemic and from clients in the retail, consumer goods, travel and hospitality, and communications and media industries. Future client demand for services will depend on the course of the pandemic, including whether COVID-19 vaccines will be sufficiently effective against variant viruses of COVID-19, other factors such as measures taken by governments and businesses in affected areas that could negatively impact our clients and our business, and any economic disruption from new waves of pandemic infections.
- *Delivery challenges* – Due to the closures of many of our clients' facilities, including as a result of various orders from national, state or local governments, we have faced and may continue to face, in the near term or in future pandemics, challenges in delivering services to our clients and satisfying contractually agreed upon service levels. The pandemic, particularly in India, but also in the Philippines and other countries where we have near-shore or

offshore delivery operations for clients, as well as our in-country offices and offices of clients where our employees may normally work, has impacted and may continue to impact our ability to deliver services to clients. Our work-from-home arrangements for many of our employees may increase our exposure to security breaches or cyberattacks. A significant worsening of the pandemic, particularly in India, or a future security incident during the pandemic, could materially impair our ability to deliver services to clients to an extent that may have a material adverse impact to our business, liquidity, results of operations and financial condition.

- *Increased costs* – We could face increased costs in the future depending on developments relating to the pandemic, including as a result of the resurgence or persistence of the COVID-19 pandemic and the emergence of vaccine resistant strains of the virus.
- *Diversion of and strain on management and other corporate resources* – Addressing the significant personal and business challenges presented by the pandemic, including various business continuity measures and the need to enable work-from-home arrangements for many of our employees, has demanded significant management time and attention and strained other corporate resources, and is expected to continue to do so. Among other things, this may adversely impact our client and associate development and our ability to execute our strategy and various transformation initiatives.
- *Reduced employee morale and productivity* – The significant personal and business challenges presented by a pandemic, including the COVID-19 pandemic, such as the potentially life-threatening health risks to employees and their families and friends, the closures of schools and the unavailability of various services our employees may rely upon, such as childcare, have been and may be a cause of employee morale concerns and may adversely impact employee productivity. It is important for key groups of our employees to resume regular face-to-face collaboration, the absence of which can negatively impact client and employee engagement and development and our ability to execute our strategy, and these employees may be unable to do so due to ongoing concerns of infection.

The COVID-19 pandemic continues to evolve. The ultimate extent to which the pandemic impacts our business, liquidity, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the delivery, adoption and effectiveness of vaccines, future variants of the COVID-19 virus and any resulting impact on the effectiveness of vaccines, the availability of effective treatments for the disease, the duration and extent of the pandemic and waves of infection, travel restrictions and social distancing, the duration and extent of business closures and business disruptions and the effectiveness of actions taken to contain, treat and prevent the disease. If we or our clients experience prolonged shutdowns or other business disruptions, our business, liquidity, results of operations, financial condition and the trading price of our common stock may be materially adversely affected, and our ability to access the capital markets may be limited.

**If we are unable to attract, train and retain skilled employees to satisfy client demand, including highly skilled technical personnel and personnel with experience in key digital areas, as well as senior management to lead our business globally, our business and results of operations may be materially adversely affected.**

Our success is dependent, in large part, on our ability to keep our supply of skilled employees, including project managers, IT engineers and senior technical personnel, in particular those with experience in key digital areas, in balance with client demand around the world and on our ability to attract and retain senior management with the knowledge and skills to lead our business globally. In 2021, we experienced unprecedented attrition, which was considered industry-wide. As a result, we hired over a hundred thousand new employees and needed to reskill, retain, integrate and motivate our workforce of over 300,000 employees with diverse skills and expertise in order to serve client demands across the globe, respond quickly to rapid and ongoing technological, industry and macroeconomic developments and grow and manage our business. While we believe the level of attrition in 2021 was unusual, we believe it will remain elevated through 2022 and possibly beyond, which could materially adversely affect our business. We also must continue to maintain an effective senior leadership team that, among other things, is effective in executing on our strategic goals and growing our digital business. The loss of senior executives, or the failure to attract, integrate and retain new senior executives as the needs of our business require, could have a material adverse effect on our business and results of operations.

Competition for skilled labor is intense and, in some jurisdictions and service areas in which we operate and, in particular, in key digital areas, there are more open positions than qualified persons to fill these positions. Our business has experienced and may continue to experience significant employee attrition, which has caused us to incur increased costs to hire new employees with the desired skills. While we strive to adjust pricing to reduce the impact of compensation increases on our operating margin, we may not be successful in recovering these increases, which could adversely affect our profitability and operating margin. Costs associated with recruiting and training employees are significant. If we are unable to hire or deploy employees with the needed skillsets or if we are unable to adequately equip our employees with the skills needed, this could materially adversely affect our business. Additionally, if we are unable to maintain an employee environment that is

competitive and appealing, it could have an adverse effect on engagement and retention, which may materially adversely affect our business.

**We face challenges related to growing our business organically as well as inorganically through acquisitions, and we may not be able to achieve our targeted growth rates.**

Achievement of our targeted growth rates requires continued significant organic growth of our business as well as inorganic growth through acquisitions. To achieve such growth, we must, among other things, continue to significantly expand our global operations, increase our product and service offerings, in particular with respect to digital, and scale our infrastructure to support such business growth. Continued business growth increases the complexity of our business and places significant strain on our management, employees, operations, systems, delivery, financial resources, and internal financial control and reporting functions, which we will have to continue to develop and improve to sustain such growth. Our ability to successfully manage change associated with the various business transformation initiatives is critical for the overall strategy execution. We must continually recruit and train new employees, retain and reskill, as necessary, existing sales, technical, finance, marketing and management employees with the knowledge, skills and experience that our business model requires and effectively manage our employees worldwide to support our culture, values, strategies and goals. Additionally, we expect to continue pursuing strategic and targeted acquisitions and investments to enhance our offerings of services and solutions or to enable us to expand our talent, experience and capabilities in key digital areas or in particular geographies or industries. We may not be successful in identifying suitable opportunities, completing targeted transactions or achieving the desired results, and such opportunities may divert our management's time and focus away from our core business. We may face challenges in effectively integrating acquired businesses into our ongoing operations and in assimilating and retaining employees of those businesses into our culture and organizational structure. If we are unable to manage our growth effectively, complete acquisitions of the number, magnitude and nature we have targeted, or successfully integrate any acquired businesses into our operations, we may not be able to achieve our targeted growth rates or improve our market share, profitability or competitive position generally or in specific markets or services.

**We may not be able to achieve our profitability goals and maintain our capital return strategy.**

Our goals for profitability and capital return rely upon a number of assumptions, including our ability to improve the efficiency of our operations and make successful investments to grow and further develop our business. Our profitability depends on the efficiency with which we run our operations and the cost of our operations, especially the compensation and benefits costs of our employees. We have incurred, and may continue to incur, substantial costs related to implementing our strategy to optimize such costs, and we may not realize the ultimate cost savings that we expect. We may not be able to efficiently utilize our employees if increased regulation, policy changes or administrative burdens of immigration, work visas or client worksite placement prevents us from deploying our employees on a timely basis, or at all, to fulfill the needs of our clients. Increases in wages and other costs, including as a result of attrition, may put pressure on our profitability. Fluctuations in foreign currency exchange rates can also have adverse effects on our revenues, income from operations and net income when items denominated in other currencies are translated or remeasured into U.S. dollars for presentation of our consolidated financial statements. We have entered into foreign exchange forward contracts intended to partially offset the impact of the movement of the exchange rates on future operating costs and to mitigate foreign currency risk on foreign currency denominated net monetary assets. However, the hedging strategies that we have implemented, or may in the future implement, to mitigate foreign currency exchange rate risks may not reduce or completely offset our exposure to foreign exchange rate fluctuations and may expose our business to unexpected market, operational and counterparty credit risks. We are particularly susceptible to wage and cost pressures in India and the exchange rate of the Indian rupee relative to the currencies of our client contracts due to the fact that the substantial majority of our employees are in India while our contracts with clients are typically in the local currency of the country where our clients are located. If we are unable to improve the efficiency of our operations, our operating margin may decline and our business, results of operations and financial condition may be materially adversely affected. Failure to achieve our profitability goals could adversely affect our business, financial condition and results of operations.

With respect to capital return, our ability and decisions to pay dividends and repurchase shares depend on a variety of factors, including the cash flow generated from operations, our cash and investment balances, our net income, our overall liquidity position, potential alternative uses of cash, such as acquisitions, and anticipated future economic conditions and financial results. Failure to carry out our capital return strategy may adversely impact our reputation with shareholders and shareholders' perception of our business and the trading price of our common stock.

**Our failure to meet specified service levels or milestones required by certain of our client contracts may result in our client contracts being less profitable, potential liability for penalties or damages or reputational harm.**

Many of our client contracts include clauses that tie our compensation to the achievement of agreed-upon performance standards or milestones. Failure to satisfy these requirements could significantly reduce our fees under the contracts, increase

the cost to us of meeting performance standards or milestones, delay expected payments, subject us to potential damage claims under the contract terms or harm our reputation. The use of new technologies in our offerings can expose us to additional risks if those technologies fail to work as predicted, which could lead to cost overruns, project delays, financial penalties, or damage to our reputation. Clients also often have the right to terminate a contract and pursue damages claims for serious or repeated failure to meet these service commitments. Some of our contracts provide that a portion of our compensation depends on performance measures such as cost-savings, revenue enhancement, benefits produced, business goals attained and adherence to schedule. These goals can be complex and may depend on our clients' actual levels of business activity or may be based on assumptions that are later determined not to be achievable or accurate. As such, these provisions may increase the variability in revenues and margins earned on those contracts and have in the past resulted, and could in the future, result in significant losses on such contracts.

**We face intense and evolving competition and significant technological advances that our service offerings must keep pace with in the rapidly changing markets we compete in.**

The markets we serve and operate in are highly competitive, subject to rapid change and characterized by a large number of participants, as described in "[Part I, Item 1. Business](#)-Competition." In addition to large, global competitors, we face competition in many geographic markets from numerous smaller, local competitors that may have more experience with operations in these markets, have well-established relationships with our desired clients, or be able to provide services and solutions at lower costs or on terms more attractive to clients than we can. Consolidation activity may also result in new competitors with greater scale, a broader footprint or vertical integration that makes them more attractive to clients as a single provider of integrated products and services. In addition, concurrent use by many clients of multiple professional service providers means that we are required to be continually competitive on the quality, scope and pricing of our offerings or face a reduction or elimination of our business. If we are not able to successfully apply market level pricing and manage discounts, we may face downward pressure on gross margins and profitability.

Our success depends on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology to serve the evolving needs of our clients. Examples of areas of significant change include digital-, cloud- and security-related offerings, which are continually evolving, as well as developments in areas such as AI, augmented reality, automation, blockchain, IoT, quantum computing and as-a-service solutions. If we do not sufficiently invest in new technologies, successfully adapt to industry developments and changing demand, and evolve and expand our business at sufficient speed and scale to keep pace with the demands of the markets we serve, we may be unable to develop and maintain a competitive advantage and execute on our growth strategy, which would materially adversely affect our business, results of operations and financial condition.

Our relationships with our third party alliance partners, who supply us with necessary components to the services and solutions we offer our clients, are also critical to our ability to provide many of our services and solutions that address client demands. There can be no assurance that we will be able to maintain such relationships or that such components will be available on the expected timelines or for anticipated prices. Among other things, such alliance partners may in the future decide to compete with us, form exclusive or more favorable arrangements with our competitors or otherwise reduce our access to their products impairing our ability to provide the services and solutions demanded by clients.

**We face legal, reputational and financial risks if we fail to protect client and/or Cognizant data from security breaches and/or cyberattacks.**

In order to provide our services and solutions, we depend on global information technology networks and systems, to process, transmit, host and securely store electronic information (including our confidential information and the confidential information of our clients) and to communicate among our locations around the world and with our clients, suppliers and alliance partners (including numerous cloud service providers). Security breaches, employee malfeasance, or human or technological error create risks of shutdowns or disruptions of our operations and potential unauthorized access and/or disclosure of our or our clients' sensitive data, which in turn could jeopardize projects that are critical to our operations or the operations of our clients' businesses and have other adverse impacts on our business or the business of our clients.

Like other global companies, we and our clients, suppliers, alliance partners (including numerous cloud service providers) and other vendors we interact with face threats to data and systems, including by nation state threat actors, insider threats, perpetrators of random or targeted malicious cyberattacks, computer viruses, malware, worms, bot attacks or other destructive or disruptive software and attempts to misappropriate client information and cause system failures and disruptions. For example, in April 2020, we announced a security incident involving a Maze ransomware attack. The attack resulted in unauthorized access to certain data and caused significant disruption to our business.

A security compromise of our information systems, or of those of businesses with which we interact, that results in confidential information being accessed by unauthorized or improper persons, could harm our reputation and expose us to

regulatory actions, client attrition due to reputational concerns or otherwise, containment and remediation expenses, and claims brought by our clients or others for breaching contractual confidentiality and security provisions or data protection laws. Monetary damages imposed on us could be significant and may impose costs in excess of insurance policy limits or not be covered by our insurance at all. Techniques used by bad actors to obtain unauthorized access, disable or degrade service, or sabotage systems continuously evolve and may not immediately produce signs of intrusion, and we may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, a security breach could require that we expend substantial additional resources related to the security of our information systems, diverting resources from other projects and disrupting our businesses. Any remediation measures that we have taken or that we may undertake in the future in response to the security incident announced in April 2020 or other security threats may be insufficient to prevent future attacks.

We are required to comply with increasingly complex and changing data security and privacy regulations in the United States, the United Kingdom, the European Union and in other jurisdictions in which we operate that regulate the collection, use and transfer of personal data. These laws can include stringent compliance obligations regarding the handling of personal data as well as potential for significant financial penalties for noncompliance. The Court of Justice of the European Union decision in the Schrems II ruling in July 2020 on data transfer requirements has caused significant uncertainty for businesses transferring data outside of the European Union, which will likely result in continuing compliance and remediation costs.

In the United States, federal sectoral laws, such as the Health Insurance Portability and Accountability Act, and recently enacted state legislation, such as the California Consumer Privacy Act, and its successor the California Privacy Rights Act that will go into effect on January 1, 2023, impose or will impose extensive privacy requirements on organizations that handle personal data. Proposals for federal privacy legislation continue and other new state privacy sectoral laws such as Virginia and Colorado are on the horizon. Additionally, in India, the Personal Data Protection Bill, 2019 continues to make progress through the Indian Parliament. If enacted in its current form it would impose stringent obligations on the handling of personal data, including certain localization requirements for sensitive data. Penalties align with those in other regimes with proposed fines of up to 4% of annual turnover, as defined in the bill. Other countries have enacted or are considering enacting data localization laws that require certain data to stay within their borders. We may also face audits or investigations by one or more domestic or foreign government agencies or our clients pursuant to our contractual obligations relating to our compliance with these regulations. Complying with changing regulatory requirements requires us to incur substantial costs, exposes us to potential regulatory action or litigation, and may require changes to our business practices in certain jurisdictions, any of which could materially adversely affect our business operations and operating results.

**If our risk management, business continuity and disaster recovery plans are not effective and our global delivery capabilities are impacted, our business and results of operations may be materially adversely affected and we may suffer harm to our reputation.**

Our business model is dependent on our global delivery capabilities, which include coordination between our delivery centers in India, our other global and regional delivery centers, the offices of our clients and our associates worldwide. System failures, outages and operational disruptions may be caused by factors outside of our control, such as hostilities, political unrest, terrorist attacks, natural disasters (including events that may be caused or exacerbated by climate change), and public health emergencies and pandemics, such as the COVID-19 pandemic, affecting the geographies where our people, equipment and clients are located. For example, we have substantial global delivery operations in Chennai, India, a city that has experienced severe rains and flooding as a result of climate change. Our risk management, business continuity and disaster recovery plans may not be effective at predicting or mitigating the effects of such disruptions, particularly in the case of catastrophic events or longer term, increasingly severe developments that occur as a result of climate change. Any such disruption may result in lost revenues, a loss of clients and reputational damage, which would have an adverse effect on our business, results of operations and financial condition.

**A substantial portion of our employees in the United States, United Kingdom, European Union and other jurisdictions rely on visas to work in those areas such that any restrictions on such visas or immigration more generally or increased costs of obtaining such visas or increases in the wages we are required to pay employees on visas may affect our ability to compete for and provide services to clients in these jurisdictions, which could materially adversely affect our business, results of operations and financial condition.**

A substantial portion of our employees in the United States and in many other jurisdictions, including countries in Europe, rely upon temporary work authorization or work permits, which makes our business particularly vulnerable to changes and variations in immigration laws and regulations, including written changes and policy changes to the manner in which the laws and regulations are interpreted or enforced, and potential enforcement actions and penalties that might cause us to lose access to such visas. The political environment in the United States, the United Kingdom and other countries in recent years has included significant support for anti-immigrant legislation and administrative changes. Many of these recent changes have resulted in, and various proposed changes may result in, increased difficulty in obtaining timely visas that could impact our

ability to staff projects, including as a result of visa application rejections and delays in processing applications, and significantly increased costs for us in obtaining visas or as a result of prevailing wage requirements for our employees on visas. For example, in the United States, the prior presidential administration adopted a number of policy changes and executive orders designed to limit immigration and the ability of immigrants to be employed, including increased scrutiny of the issuance of new and the renewal of existing H-1B visa applications and the placement of H-1B visa workers on third party worksites, increases to the prevailing wage requirements that set a minimum level of compensation for visa holders and, for entities where 15% or more of the workers in the United States hold H-1B and L-1 visas, increases in the visa costs for such entities. While a number of these policy changes and executive orders failed to be enforced or enacted into law, the current administration has continued to explore visa and immigration reform. There continues to be political support for potential new laws and regulations relating to visas or immigration and the implementation of these or similar measures in the future may have a material adverse impact on companies like ours that have a substantial percentage of our employees on visas. Our principal operating subsidiary in the United States utilizes a high number of skilled workers holding H-1B and L-1 visas and, as a result, may be subject to increased costs if any such laws, regulations, policy changes or executive orders go into effect. In the EU, many countries continue to implement new regulations to move into compliance with the EU Directive of 2014 to harmonize immigration rules for intracompany transferees in most EU member states and to facilitate the transfer of managers, specialists and graduate trainees both into and within the region. The changes have had significant impact on mobility programs and have led to new notification and documentation requirements for companies sending employees to EU countries. Recent changes or any additional adverse revisions to immigration laws and regulations in the jurisdictions in which we operate may cause us delays, staffing shortages, additional costs or an inability to bid for or fulfill projects for clients, any of which could have a material adverse effect on our business, results of operations and financial condition.

### **Legal, Regulatory and Legislative Risks**

**Anti-outsourcing legislation, if adopted, and negative perceptions associated with offshore outsourcing could impair our ability to serve our clients and materially adversely affect our business, results of operations and financial condition.**

The practice of outsourcing services to organizations operating in other countries is a topic of political discussion in the United States, which is our largest market, as well as other regions in which we have clients. For example, measures aimed at limiting or restricting outsourcing by U.S. companies have been put forward for consideration by the U.S. Congress and in state legislatures to address concerns over the perceived association between offshore outsourcing and the loss of jobs domestically. If any such measure is enacted, our ability to provide services to our clients could be impaired.

In addition, from time to time there has been publicity about purported negative experiences associated with offshore outsourcing, such as alleged domestic job loss and theft and misappropriation of sensitive client data, particularly involving service providers in India. Current or prospective clients may elect to perform certain services themselves or may be discouraged from utilizing global service delivery providers like us due to negative perceptions that may be associated with using global service delivery models or firms. Any slowdown or reversal of existing industry trends toward global service delivery would seriously harm our ability to compete effectively with competitors that provide the majority of their services from within the country in which our clients operate.

**We are subject to numerous and evolving legal and regulatory requirements and client expectations in the many jurisdictions in which we operate, and violations of, unfavorable changes in or an inability to meet such requirements or expectations could harm our business.**

We provide services to clients and have operations in many parts of the world and in a wide variety of different industries, subjecting us to numerous, and sometimes conflicting, laws and regulations on matters as diverse as trade controls and sanctions, immigration (including temporary work authorizations or work permits), content requirements, trade restrictions, tariffs, taxation, antitrust laws, anti-corruption laws (including the FCPA and the U.K. Bribery Act), the environment, government affairs, internal and disclosure control obligations, data privacy, intellectual property, employment and labor relations. We face significant regulatory compliance costs and risks as a result of the size and breadth of our business. For example, we may experience increased costs in 2022 and future years for employment and post-employment benefits in India as a result of the issuance of the Code in late 2020. In addition, we may face costs and risks associated with uncertainty as to the ongoing regulatory impact of the United Kingdom's exit from the European Union.

We are also subject to a wide range of potential enforcement actions, audits or investigations regarding our compliance with these laws or regulations in the conduct of our business, and any finding of a violation could subject us to a wide range of civil or criminal penalties, including fines, debarment, or suspension or disqualification from government contracting, prohibitions or restrictions on doing business, loss of clients and business, legal claims by clients and damage to our reputation.

We commit significant financial and managerial resources to comply with our internal control over financial reporting requirements, but we have in the past identified and may in the future identify material weaknesses or deficiencies in our internal control over financial reporting that cause us to incur incremental remediation costs in order to maintain adequate controls. For example, in recent years we had to spend significant resources on conducting an internal investigation and cooperating with investigations by the DOJ and the SEC, both concluded in 2019, focused on whether certain payments relating to Company-owned facilities in India were made in violation of the FCPA and other applicable laws.

Governmental bodies, investors, clients and businesses are increasingly focused on ESG issues, which has resulted and may in the future continue to result in the adoption of new laws and regulations, reporting requirements and changing buying practices. If we fail to comply with new laws, regulations or reporting requirements or keep pace with ESG trends and developments or fail to meet the expectations of our clients and investors, our reputation and business could be adversely impacted.

**Changes in tax laws or in their interpretation or enforcement, failure by us to adapt our corporate structure and intercompany arrangements to enhance our global tax profile or adverse outcomes of tax audits, investigations or proceedings could have a material adverse effect on our effective tax rate, results of operations and financial condition.**

The interpretation of tax laws and regulations in the many jurisdictions in which we operate and the related tax accounting principles are complex and require considerable judgment to determine our income taxes and other tax liabilities worldwide. Tax laws and regulations affecting us and our clients, including applicable tax rates, and the interpretation and enforcement of such laws and regulations are subject to change as a result of economic, political and other factors, and any such changes or changes in tax accounting principles could increase our effective worldwide income tax rate and have a material adverse effect on our net income and financial condition. We routinely review and update our corporate structure and intercompany arrangements, including transfer pricing policies, consistent with applicable laws and regulations, to align with our evolving business operations and enhance our global tax profile across the numerous jurisdictions, such as the United States, India and the United Kingdom, in which we operate. Failure to successfully adapt our corporate structure and intercompany arrangements to align with our evolving business operations and enhance our global tax profile may increase our worldwide effective tax rate and have a material adverse effect on our earnings and financial condition.

The following are several examples of changes in tax laws that may impact us:

- The Tax Reform Act was enacted in December 2017 and made a number of significant changes to the corporate tax regime in the United States. We anticipate that the U.S. Treasury department will continue to issue interpretive guidance which may modify relevant aspects of the tax regime. The U.S. federal government is also considering further tax reform that could increase corporate tax rates.
- The OECD has been working on a Base Erosion and Profit Shifting project and is expected to continue to issue guidelines and proposals that may change numerous long-standing tax principles. The changes recommended by the OECD have been or are being adopted by many of the countries in which we do business and could lead to disagreements among jurisdictions over the proper allocation of profits among them. The OECD has also undertaken a new project focused on “Addressing the Tax Challenges of the Digitalization of the Economy.” This project has proposed implementing a global model for minimum taxation, which may impact multinational businesses. Similarly, the European Commission and various jurisdictions have introduced proposals to or passed laws that impose a separate tax on specified digital services. These recent and potential future tax law changes create uncertainty and may materially adversely impact our provision for income taxes.

Our worldwide effective income tax rate may increase as a result of these recent developments, changes in interpretations and assumptions made, additional guidance that may be issued and ongoing and future actions the Company has or may take with respect to our corporate structure and intercompany arrangements.

Additionally, we are subject from time to time to tax audits, investigations and proceedings. Tax authorities have disagreed, and may in the future disagree, with our judgments, and are taking increasingly aggressive positions, including with respect to our intercompany transactions. For example, we are currently involved in an ongoing dispute with the ITD in which the ITD asserts that we owe additional taxes for two transactions by which CTS India repurchased shares from its shareholders, as more fully described in [Note 11](#) to the consolidated financial statements. Adverse outcomes in any such audits, investigations or proceedings could increase our tax exposure and cause us to incur increased expense, which could materially adversely affect our results of operations and financial condition.

**Our business subjects us to considerable potential exposure to litigation and legal claims and could be materially adversely affected if we incur legal liability.**

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the conduct of our business. Our business is subject to the risk of litigation involving current and former employees, clients, alliance partners, subcontractors, suppliers, competitors, shareholders, government agencies or others through private actions, class actions, whistleblower claims, administrative proceedings, regulatory actions or other litigation. While we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable.

Our client engagements expose us to significant potential legal liability and litigation expense if we fail to meet our contractual obligations or otherwise breach obligations to third parties or if our subcontractors breach or dispute the terms of our agreements with them and impede our ability to meet our obligations to our clients. For example, third parties could claim that we or our clients, whom we typically contractually agree to indemnify with respect to the services and solutions we provide, infringe upon their IP rights. Any such claims of IP infringement could harm our reputation, cause us to incur substantial costs in defending ourselves, expose us to considerable legal liability or prevent us from offering some services or solutions in the future. We may have to engage in legal action to protect our own IP rights, and enforcing our rights may require considerable time, money and oversight, and existing laws in the various countries in which we provide services or solutions may offer only limited protection.

We also face considerable potential legal liability from a variety of other sources. Our acquisition activities have in the past and may in the future be subject to litigation or other claims, including claims from employees, clients, stockholders, or other third parties. We have also been the subject of a number of putative securities class action complaints and putative shareholder derivative complaints relating to the matters that were the subject of our now concluded internal investigation into potential violations of the FCPA and other applicable laws, and may be subject to such legal actions for these or other matters in the future. See "[Part I, Item 3. Legal Proceedings](#)" for more information. We establish reserves for these and other matters when a loss is considered probable and the amount can be reasonably estimated; however, the estimation of legal reserves and possible losses involves significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation, and the actual losses arising from particular matters may exceed our estimates and materially adversely affect our results of operations.

## **Item 1B. Unresolved Staff Comments**

None.

## **Item 2. Properties**

We have sales and marketing offices, innovation labs, and digital design and consulting centers in major business markets, including New York, London, Paris, Melbourne, and Singapore, among others, which are used to support our clients across all four of our business segments. In total, we have offices and operations in approximately 100 cities and 35 countries around the world, with our worldwide headquarters located in a leased facility in Teaneck, New Jersey in the United States.

We utilize a global delivery model with delivery centers worldwide, including in-country, regional and global delivery centers. We have over 29 million square feet of owned and leased facilities for our delivery centers. Our largest delivery center presence is in India, representing 88% of our total delivery centers on a square-foot basis, with the largest presence in Chennai (10 million square feet), Hyderabad (4 million square feet), Pune (3 million square feet), Kolkata (3 million square feet) and Bangalore (2 million square feet). We also have a significant number of delivery centers in other countries, including the United States, Philippines, Canada, Mexico and countries throughout Europe.

We believe our current facilities are adequate to support our operations in the immediate future, and that we will be able to obtain suitable additional facilities on commercially reasonable terms as needed.

## **Item 3. Legal Proceedings**

See [Note 15](#) to our consolidated financial statements.

## **Item 4. Mine Safety Disclosures**

Not applicable.

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

Our Class A common stock trades on the Nasdaq Stock Market under the symbol “CTSH”. As of December 31, 2021, the approximate number of holders of record of our Class A common stock was 111 and the approximate number of beneficial holders of our Class A common stock was 451,800.

**Cash Dividends**

During 2021, we paid quarterly cash dividends of \$0.24 per share, or \$0.96 per share in total for the year. In January 2022, our Board of Directors approved a cash dividend of \$0.27 per share with a record date of February 18, 2022 and a payment date of March 1, 2022. We intend to continue to pay quarterly cash dividends in accordance with our capital allocation framework. However, future dividend payments depend on a variety of factors, including our cash flow generated from operations, cash and investment balances, net income, overall liquidity position, potential alternative uses of cash, such as acquisitions, and anticipated future economic conditions and financial results.

**Issuer Purchases of Equity Securities**

Our stock repurchase program, allows for the repurchase of up to \$9.5 billion, excluding fees and expenses, of our Class A common stock through open market purchases, including under a 10b5-1 Plan or in private transactions, including through ASR agreements entered into with financial institutions, in accordance with applicable federal securities laws. The repurchase program does not have an expiration date. The timing of repurchases and the exact number of shares to be purchased are determined by management, in its discretion, or pursuant to 10b5-1 Plan, and will depend upon market conditions and other factors.

During the three months ended December 31, 2021, we repurchased \$66 million of our Class A common stock under our stock repurchase program. The following table sets out the stock repurchase activity under our stock repurchase program during the fourth quarter of 2021 and the approximate dollar value of shares that may yet be purchased under the program as of December 31, 2021.

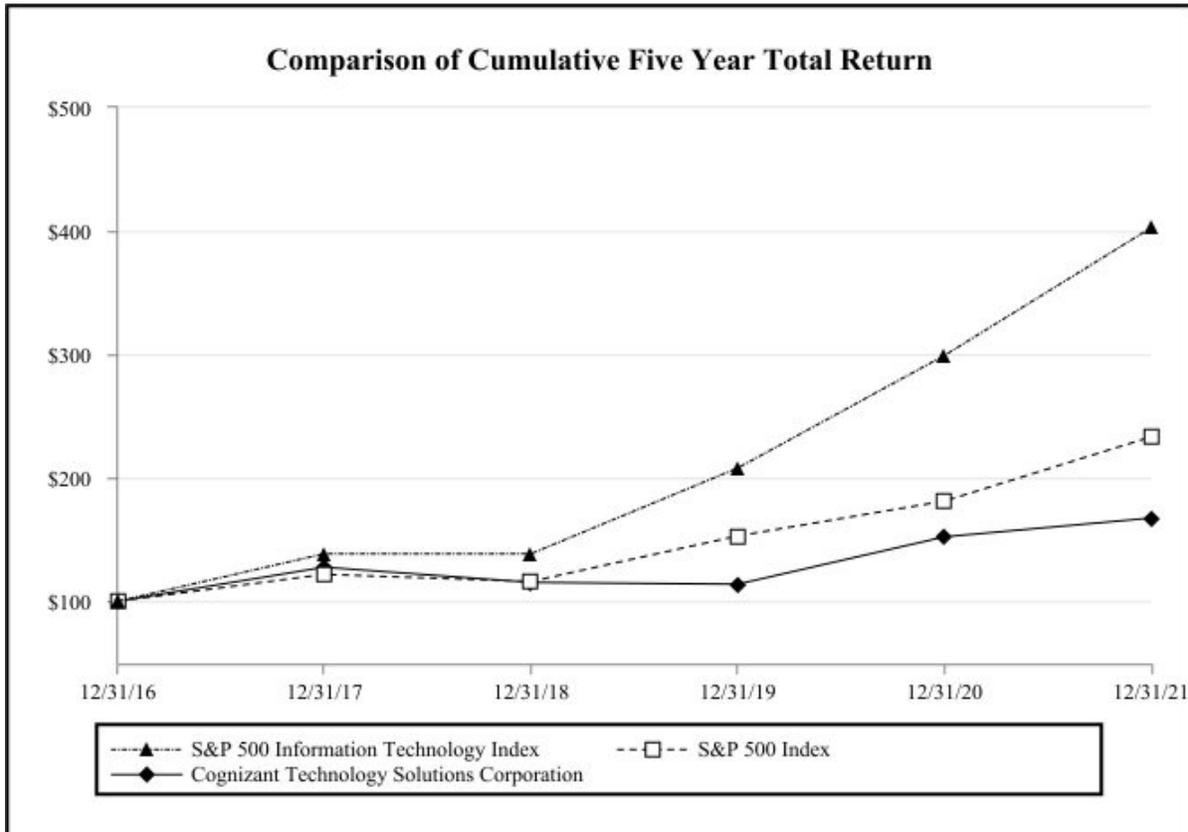
Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased under the Plans or Programs (in millions)
October 1, 2021 - October 31, 2021	—	\$ —	—	\$ 2,185
November 1, 2021 - November 30, 2021	179,882	79.56	179,882	2,171
December 1, 2021 - December 31, 2021	619,075	82.91	619,075	2,119
Total	798,957	\$ 82.16	798,957	

We regularly purchase shares in connection with our stock-based compensation plans as shares of our Class A common stock are tendered by employees for payment of applicable statutory tax withholdings. For the three months ended December 31, 2021, we purchased 0.3 shares at an aggregate cost of \$20 million in connection with employee tax withholding obligations.

## Performance Graph

The following graph compares the cumulative total stockholder return on our Class A common stock with the cumulative total return on the S&P 500 Index and the S&P 500 Information Technology Index for the period beginning December 31, 2016 and ending on the last day of our last completed fiscal year. The stock performance shown on the graph below is not indicative of future price performance.

**COMPARISON OF CUMULATIVE TOTAL RETURN<sup>(1)(2)</sup>**  
**Among Cognizant, the S&P 500 Index and the S&P 500 Information Technology Index**



Company / Index	Base Period 12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
Cognizant Technology Solutions Corp	\$ 100	\$ 127.57	\$ 115.25	\$ 114.01	\$ 152.69	\$ 167.41
S&P 500 Index	100	121.83	116.49	153.17	181.35	233.41
S&P 500 Information Technology Index	100	138.83	138.43	208.05	299.37	402.73

- (1) Graph assumes \$100 invested on December 31, 2016 in our Class A common stock, the S&P 500 Index and the S&P 500 Information Technology Index.  
 (2) Cumulative total return assumes reinvestment of dividends.

## Item 6. [Reserved]

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

### Executive Summary

Cognizant is one of the world’s leading professional services companies, engineering modern business for the digital era. Our services include digital services and solutions, consulting, application development, systems integration, application testing, application maintenance, infrastructure services and business process services. Digital services have become an increasingly important part of our portfolio, aligning with our clients' focus on becoming data-enabled, customer-centric and differentiated businesses. We are continuing to invest in digital services with a focus on four key areas: IoT, digital engineering, data and cloud. We tailor our services and solutions to specific industries with an integrated global delivery model that employs client service and delivery teams based at client locations and dedicated global and regional delivery centers. We help clients modernize technology, reimagine processes and transform experiences so they can stay ahead in a fast-changing world.

### 2021 Financial Results



**GAAP**  
Revenue up \$1,855 million or 11.1% from 2020; 10.0% in constant currency<sup>1</sup>

<b>GAAP</b> Income from Operations up \$712 million or 33.7% from 2020	<b>Adjusted<sup>1</sup></b> Income from Operations up \$452 million or 18.9% from 2020
---------------------------------------------------------------------------	-------------------------------------------------------------------------------------------

<b>GAAP</b> Operating margin up 260 bps from 2020	<b>Adjusted<sup>1</sup></b> Operating margin up 100 bps from 2020
------------------------------------------------------	----------------------------------------------------------------------

<b>GAAP</b> Diluted EPS up \$1.48 or 57.6% from 2020	<b>Adjusted<sup>1</sup></b> Diluted EPS up \$0.70 or 20.5% from 2020
---------------------------------------------------------	-------------------------------------------------------------------------

During the year ended December 31, 2021, revenues increased by \$1,855 million as compared to the year ended December 31, 2020, representing growth of 11.1%, or 10.0% on a constant currency basis<sup>1</sup>. Our recently completed acquisitions contributed 320 basis points to our revenue growth. Revenue growth also reflected our clients' continued adoption and integration of digital technologies and was aided by the negative impact on 2020 revenues of the COVID-19 pandemic. Revenue growth in the Healthcare segment was driven by increased demand for our services from our pharmaceutical clients while continued adoption and integration of digital technologies across our manufacturing, logistics, energy and utilities clients drove revenue growth in the Products and Resources segment. Revenues in the Communications, Media and Technology segment benefited from our technology clients' growing demand for services related to digital content. Our 2020 revenue was negatively affected by the Samlink Impact, which contributed approximately 70 basis points to our 2021 revenue growth. We continue to experience pricing pressure on our non-digital services as our clients, particularly those in the Financial Services segment, optimize the cost of supporting their legacy systems and operations.

Our operating margin and Adjusted Operating Margin<sup>1</sup> increased to 15.3% and 15.4%, respectively, for the year ended December 31, 2021 from 12.7% and 14.4%, respectively, for the year ended December 31, 2020. Our 2021 GAAP and Adjusted Operating Margins benefited from savings generated by the implementation of the delivery cost optimization initiatives of our 2020 Fit for Growth Plan and a decrease in travel and entertainment costs. These benefits were partially offset by investments intended to drive and support organic revenue growth, including additions to our sales organization and initiatives to reposition our brand, as well as the negative impact on margin of our recently completed acquisitions, increased subcontractor and compensation costs as a result of significantly elevated attrition and costs related to the modernization of our

<sup>1</sup> Adjusted Income From Operations, Adjusted Operating Margin, Adjusted Diluted EPS and constant currency revenue growth are not measurements of financial performance prepared in accordance with GAAP. See “Non-GAAP Financial Measures” for more information and reconciliations to the most directly comparable GAAP financial measures.

core IT systems. Our 2020 operating margins were adversely impacted by the decline in revenues brought on by the COVID-19 pandemic, the Samlink Impact and the April 2020 ransomware attack. Our 2020 GAAP operating margin was also negatively impacted by costs related to our restructuring program that concluded at the end of 2020 and COVID-19 Charges.

During the fourth quarter of 2021, we reached a settlement agreement with the final customer involved in our previously disclosed proposed exit from a large customer engagement of our Samlink subsidiary and additionally entered into an agreement to sell this subsidiary. We reached settlement agreements with the other two customers to this engagement in the second quarter of 2021. The financial terms of the final settlement agreements with the three customers did not materially differ from our original 2020 offer and, accordingly, the impact to our 2021 consolidated statement of operations was immaterial. In 2020, in connection with our settlement offer, we recorded a reduction of revenues of \$118 million and additional expenses of \$33 million, or, jointly, the Samlink Impact. This negatively impacted both our 2020 GAAP and Adjusted Diluted EPS<sup>2</sup> by \$0.27. The sale of our Samlink subsidiary closed on February 1, 2022. In 2021, our Samlink subsidiary had \$113 million in revenues.

In the third quarter of 2021, the parties to the consolidated putative securities class action suit filed a settlement agreement that resolved the consolidated putative securities class action against us and certain of our former officers. As a result, we recorded a \$20 million Class Action Settlement Loss in "Selling, general and administrative expenses" in our consolidated financial statements. The loss is excluded from Adjusted Operating Margin<sup>2</sup> and Adjusted Diluted EPS<sup>2</sup>. For further information see [Note 15](#) to our consolidated financial statements.

## Business Outlook

As we seek to increase our commercial momentum and accelerate growth, our four strategic priorities are:

- Accelerating digital - growing our digital business organically and inorganically;
- Globalizing Cognizant - accelerating the growth of our business in key international markets and diversifying our leadership, capabilities and delivery footprint;
- Repositioning our brand - improving our global brand recognition and becoming better known as a global digital partner to the entire C-suite; and
- Increasing our relevance to our clients - leading with thought leadership and capabilities to address clients' business needs.

We continue to expect the long-term focus of our clients to be on their digital transformation into software-driven, data-enabled, customer-centric and differentiated businesses. The COVID-19 pandemic accelerated our clients' need to modernize their business, which has led to increased demand for digital capabilities. In 2021, we completed seven acquisitions intended to expand our talent, experience and capabilities in key digital areas or in particular geographies or industries.

As our clients seek to optimize the cost of supporting their legacy systems and operations, our non-digital services have been and may continue to be subject to pricing pressure. In addition, our clients will likely continue to contend with industry-specific changes driven by evolving digital technologies, uncertainty in the regulatory environment, industry consolidation and convergence as well as international trade policies and other macroeconomic factors, which could affect their demand for our services.

As a global professional services company, we compete on the basis of the knowledge, experience, insights, skills and talent of our employees and the value they can provide to our clients. Our success is dependent, in large part, on our ability to keep our supply of skilled employees, in particular those with experience in key digital areas, in balance with client demand. Competition for skilled employees in the current labor market is intense, and we experienced significantly elevated voluntary attrition during 2021. For the three months ended December 31, 2021, our annualized attrition rate, including both voluntary and involuntary, was 34.6% as compared to 19.0% for the three months ended December 31, 2020. For the year ended December 31, 2021, our attrition rate, including both voluntary and involuntary, was 30.8% as compared to 20.6% for the year ended December 31, 2020. Challenges attracting and retaining highly qualified personnel have negatively impacted our ability to satisfy client demand and achieve our full revenue potential. We expect this impact to continue in 2022. Further, our ongoing and anticipated future efforts with respect to recruitment, talent management and employee engagement may not be successful and may result in increased delivery costs during 2022. Our most significant costs are the salaries and related benefits for our employees. In certain regions, competition for employees with the advanced technical skills necessary to perform our services has caused wages to increase at a rate greater than the general rate of inflation. While we strive to adjust pricing to reduce the

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<sup>2</sup> Adjusted Operating Margin and Adjusted Diluted EPS are not measurements of financial performance prepared in accordance with GAAP. See "Non-GAAP Financial Measures" for more information and reconciliations to the most directly comparable GAAP financial measures.

impact of compensation increases on our operating margin, we may not be successful in fully recovering these increases, which could adversely affect our profitability and operating margin.

Our future results may be affected by potential tax law changes and other potential regulatory changes, including possible U.S. corporate income tax reform and potentially increased costs for employment and post-employment benefits in India as a result of the Code on Social Security, 2020. For additional information, see [Part I, Item 1A, Risk Factors](#).

## **Environmental, Social and Corporate Governance**

We believe environmental and social considerations are increasingly important to our clients and the talent we seek to attract and retain. As a company committed to improving everyday life, ESG is an important part of our business and that of our clients. Cognizant's vision is to become the preeminent technology services provider to the leaders of the world's Global 2000 companies. Our ESG program is designed to support that vision and aligns with our clients' increasing focus on ESG. In 2021, we took the following steps to advance our ESG agenda:

- In February 2021, we announced an initiative to advance economic mobility, educational opportunity, diversity, equity, and inclusion, and health and well-being in communities around the world through new philanthropic funding and in-kind contributions;
- In April 2021, as the second wave of the COVID-19 pandemic gripped India, we launched Operation C3. This initiative facilitated vaccination for our Indian employees and their dependents, and set up vaccination drives across the country to help senior citizens, physically challenged dependents, and mothers with infants. Operation C3 also provided critical medical equipment to hospitals, helped to boost oxygen supplies and more;
- In June 2021, we issued our first ESG report with assured greenhouse gas emissions data;
- In October 2021, we announced our commitment to achieve net zero emissions by 2030. This pledge calls for reducing emissions by 50% from the Company's global operations and supply chain by 2030, and by 90% by 2040; and
- In October 2021, we launched "All Belong," an initiative led by our executive committee and global D&I team designed to strengthen employee engagement, showcase our affinity groups, and recognize employees who exemplify inclusion.

## Results of Operations

For a discussion of our results of operations for the year ended December 31, 2019, including a year-to-year comparison between 2020 and 2019, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report Form 10-K for the year ended December 31, 2020.

### The Year Ended December 31, 2021 Compared to The Year Ended December 31, 2020

The following table sets forth certain financial data for the years ended December 31:

(Dollars in millions, except per share data)	2021	% of Revenues	2020	% of Revenues	Increase / Decrease	
					\$	%
Revenues	\$ 18,507	100.0	\$ 16,652	100.0	\$ 1,855	11.1
Cost of revenues <sup>(1)</sup>	11,604	62.7	10,671	64.1	933	8.7
Selling, general and administrative expenses <sup>(1)</sup>	3,503	18.9	3,100	18.6	403	13.0
Restructuring charges	—	—	215	1.3	(215)	(100.0)
Depreciation and amortization expense	574	3.1	552	3.3	22	4.0
Income from operations	2,826	15.3	2,114	12.7	712	33.7
Other income (expense), net	1	—	(18)	—	19	(105.6)
Income before provision for income taxes	2,827	15.3	2,096	12.6	731	34.9
Provision for income taxes	(693)	—	(704)	—	11	(1.6)
Income (loss) from equity method investments	3	—	—	—	3	*
Net income	\$ 2,137	11.5	\$ 1,392	8.4	\$ 745	53.5
Diluted EPS	\$ 4.05	—	\$ 2.57	—	\$ 1.48	57.6
<i>Other Financial Information</i> <sup>3</sup>						
Adjusted Income From Operations and Adjusted Operating Margin	\$ 2,846	15.4	\$ 2,394	14.4	\$ 452	18.9
Adjusted Diluted EPS	\$ 4.12	—	\$ 3.42	—	\$ 0.70	20.5

(1) Exclusive of depreciation and amortization expense.

\* Not meaningful

### Revenues - Overall

During 2021, revenues increased by \$1,855 million as compared to 2020, representing growth of 11.1%, or 10.0% on a constant currency basis<sup>3</sup>. Our recently completed acquisitions contributed 320 basis points to our revenue growth. Our revenue growth also reflected our clients' continued adoption and integration of digital technologies and was aided by the negative impact on 2020 revenues of the COVID-19 pandemic. Our 2020 revenue was negatively affected by the Samlink Impact, which contributed approximately 70 basis points to our 2021 revenue growth. We continue to experience pricing pressure on our non-digital services as our clients, particularly those in the Financial Services segment, optimize the cost of supporting their legacy systems and operations. Revenues from clients added during 2021, including those related to acquisitions, were \$341 million.

<sup>3</sup> Adjusted Income From Operations, Adjusted Operating Margin, Adjusted Diluted EPS and constant currency revenue growth are not measurements of financial performance prepared in accordance with GAAP. See "Non-GAAP Financial Measures" for more information and reconciliations to the most directly comparable GAAP financial measures, as applicable.

**Revenues - Reportable Business Segments**

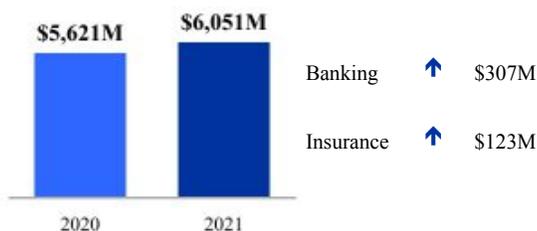
The following charts set forth revenues and change in revenues by business segment and geography for the year ended December 31, 2021 as compared to the year ended December 31, 2020:

Dollars in millions	Financial Services					Healthcare			
	Revenues	Increase / (Decrease)			Revenues	Increase / (Decrease)			
		\$	%	CC % <sup>4</sup>		\$	%	CC % <sup>4</sup>	
North America	\$ 4,204	191	4.8	4.4	\$ 4,571	390	9.3	9.3	
United Kingdom	547	84	18.1	12.5	168	11	7.0	2.3	
Continental Europe	745	116	18.4	14.4	477	43	9.9	7.0	
Europe - Total	1,292	200	18.3	13.6	645	54	9.1	5.7	
Rest of World	555	39	7.6	5.2	121	41	51.3	50.9	
Total	\$ 6,051	430	7.6	6.3	\$ 5,337	485	10.0	9.6	

Dollars in millions	Products and Resources					Communications, Media and Technology			
	Revenues	Increase / (Decrease)			Revenues	Increase / (Decrease)			
		\$	%	CC % <sup>4</sup>		\$	%	CC % <sup>4</sup>	
North America	\$ 2,937	287	10.8	10.5	\$ 1,924	187	10.8	10.7	
United Kingdom	471	100	27.0	19.0	456	112	32.6	26.1	
Continental Europe	539	126	30.5	25.7	158	(19)	(10.7)	(14.5)	
Europe - Total	1,010	226	28.8	22.5	614	93	17.9	12.3	
Rest of World	329	67	25.6	22.7	305	80	35.6	34.3	
Total	\$ 4,276	580	15.7	13.9	\$ 2,843	360	14.5	13.2	

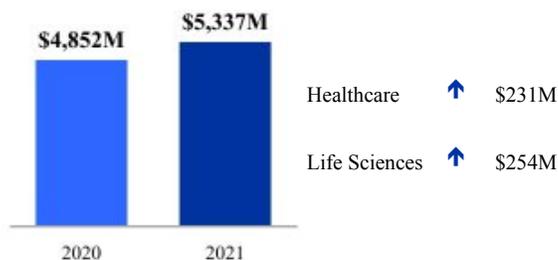
**Financial Services** - revenues increased 7.6%, or 6.3% on a constant currency basis<sup>4</sup>



Revenue growth in this segment benefited from the 2020 Samlink Impact, which contributed approximately 220 basis points to our 2021 revenue growth, recently completed acquisitions and the negative impact on 2020 revenues of the COVID-19 pandemic. Revenue growth also reflects the growing demand for our digital services partially offset by clients' continued focus on cost optimization of supporting their legacy systems and operations. Revenues from clients added, including those related to acquisitions, since December 31, 2020 were \$77 million.

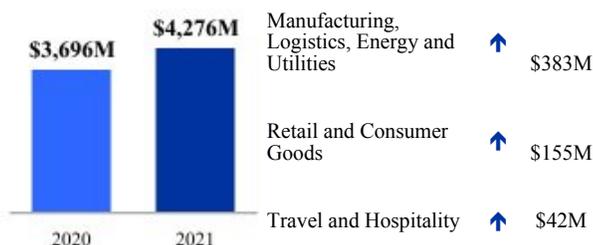
**Healthcare** - revenues increased 10.0%, or 9.6% on a constant currency basis<sup>4</sup>

Revenue growth among our life sciences clients was driven by increased demand for our services among pharmaceutical companies while revenue growth among our healthcare customers benefited from increased demand by health insurance customers for our integrated software solutions. Additionally, revenue growth reflected the negative impact on 2020 revenues of the COVID-19 pandemic. Revenues from clients added since December 31, 2020 were \$45 million.



<sup>4</sup> Constant currency revenue growth is not a measurement of financial performance prepared in accordance with GAAP. See “Non-GAAP Financial Measures” for more information.

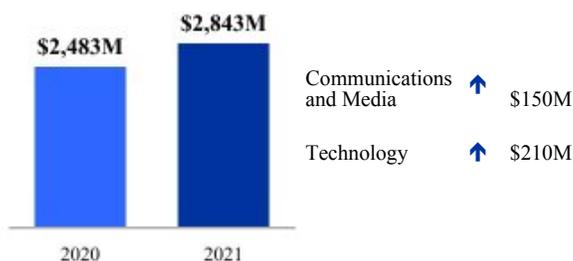
**Products and Resources** - revenues increased 15.7%, or 13.9% on a constant currency basis<sup>5</sup>



Revenues from our manufacturing, logistics, energy and utilities clients benefited from our clients' adoption and integration of digital technologies. Revenue growth in this segment included approximately 500 basis points related to recently completed acquisitions. Additionally, revenue growth reflected the negative impact of the COVID-19 pandemic on our 2020 revenue in this segment. Revenues from clients added, including those related to acquisitions, since December 31, 2020 were \$113 million.

**Communications, Media and Technology** - revenues increased 14.5%, or 13.2% on a constant currency basis<sup>5</sup>

Revenues reflected growing demand from our technology clients for services related to digital content, primarily driven by our largest clients in this segment, and were negatively impacted by 190 basis points due to our exit from certain content-related services. Revenue growth in this segment included approximately 650 basis points related to recently completed acquisitions and also reflected the negative impact to our 2020 revenue of the COVID-19 pandemic. Revenues from clients added, including those related to acquisitions, since December 31, 2020 were \$106 million.



**Revenues - Geographic Markets**

Revenues of \$18,507 million by geographic market were as follows for the year ended December 31, 2021:

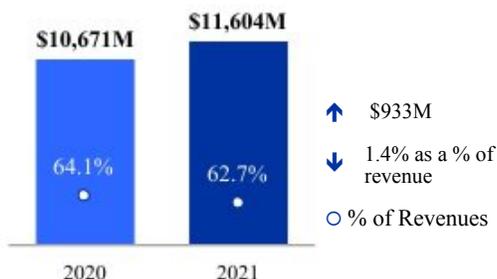


2021 as compared to 2020 (Dollars in millions)	Increase / (Decrease)		
	\$	%	CC % <sup>5</sup>
North America	\$ 1,055	8.4	8.2
United Kingdom	307	23.0	16.6
Continental Europe	266	16.1	12.2
Europe - Total	573	19.2	14.2
Rest of World	227	21.0	18.8
<b>Total revenues</b>	<b>\$ 1,855</b>	<b>11.1</b>	<b>10.0</b>

North America continues to be our largest market, representing 73.7% of total revenues and 56.9% of total growth for the year ended December 31, 2021. Revenue growth across all regions benefited from our recently completed acquisitions and was also aided by the negative impact on our 2020 revenues of the COVID-19 pandemic. All regions also benefited from favorable foreign currency exchange rate movements. A significant portion of revenue growth in our Continental Europe and Rest of World regions was driven by our German and Australian markets, respectively, which both benefited from recent acquisitions. In addition, revenue growth in Continental Europe benefited 770 basis points from the 2020 Samlink Impact.

<sup>5</sup> Constant currency revenue growth is not a measurement of financial performance prepared in accordance with GAAP. See "Non-GAAP Financial Measures" for more information.

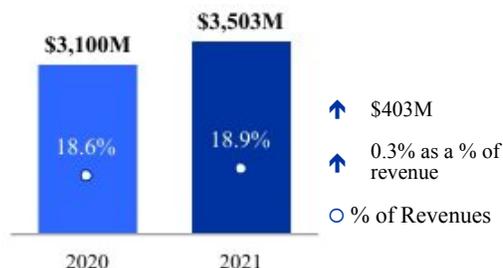
**Cost of Revenues (Exclusive of Depreciation and Amortization Expense)**



Our cost of revenues consists primarily of salaries, incentive-based compensation, stock-based compensation expense, employee benefits, project-related immigration and travel for technical personnel, subcontracting and equipment costs relating to revenues. The decrease in cost of revenues, as a percentage of revenues, was due primarily to savings from the implementation of the delivery cost optimization initiatives of our 2020 Fit for Growth Plan, the adverse Samlink Impact in 2020, a decrease in travel and entertainment costs as a result of a reduction in travel due to the COVID-19 pandemic as well as the negative impact on our 2020 results from the pandemic and the April 2020 ransomware attack, partially offset by increased subcontractor and compensation costs as a result of significantly elevated employee attrition levels.

**SG&A Expenses (Exclusive of Depreciation and Amortization Expense)**

SG&A expenses consist primarily of salaries, incentive-based compensation, stock-based compensation expense, employee benefits, immigration, travel, marketing, communications, management, finance, administrative and occupancy costs. The increase, as a percentage of revenues, was due primarily to investments intended to drive and support organic revenue growth, including additions to our sales organization and initiatives to reposition our brand, as well as increased costs as a result of our recently completed acquisitions and costs related to the modernization of our core IT systems, partially offset by a reduction in expenses attributable to the COVID-19 pandemic and the April 2020 ransomware attack.



**Depreciation and Amortization Expense**

Depreciation and amortization expense increased by 4.0% during 2021 as compared to 2020 primarily due to amortization of intangibles from recently completed acquisitions.

**Operating Margin and Adjusted Operating Margin<sup>6</sup> - Overall**



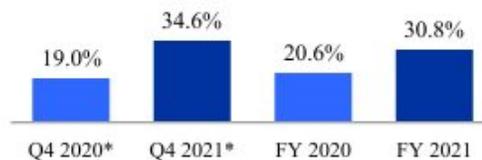
Our 2021 GAAP and Adjusted Operating Margins<sup>6</sup> benefited from savings generated by the implementation of the delivery cost optimization initiatives of our 2020 Fit for Growth Plan and a decrease in travel and entertainment costs. These benefits were partially offset by investments intended to drive and support organic revenue growth, including additions to our sales organization and initiatives to reposition our brand, as well as the negative impact on margin of our recently completed acquisitions, increased subcontractor and compensation costs as a result of significantly elevated employee attrition and costs related to the modernization of our core IT systems. Our 2020 operating margins were adversely impacted by the decline in revenues brought on by the COVID-19 pandemic, the Samlink Impact and the April 2020 ransomware attack. Our 2020 GAAP operating margin was also negatively impacted by costs related to our restructuring program that concluded at the end of 2020 and COVID-19 Charges.

<sup>6</sup> Adjusted Income From Operations and Adjusted Operating Margin are not measurements of financial performance prepared in accordance with GAAP. See “Non-GAAP Financial Measures” for more information and reconciliations to the most directly comparable GAAP financial measures, as applicable.

Excluding the impact of applicable designated cash flow hedges, the appreciation of the Indian rupee against the U.S. dollar negatively impacted our operating margin by approximately 5 basis points in 2021, while in 2020 the depreciation of the Indian rupee against the U.S. dollar positively impacted our operating margin by approximately 92 basis points. Each additional 1.0% change in exchange rate between the Indian rupee and the U.S. dollar will have the effect of moving our operating margin by approximately 18 basis points, excluding the impact of our cash flow hedges.

We enter into foreign exchange derivative contracts to hedge certain Indian rupee denominated payments in India. These hedges are intended to mitigate the volatility of the changes in the exchange rate between the U.S. dollar and the Indian rupee. In 2021, the settlement of our cash flow hedges positively impacted our operating margin by approximately 35 basis points. The impact of the settlement of our cash flow hedges was immaterial in 2020.

We finished the year ended December 31, 2021 with approximately 330,600 employees as compared to 289,500 employees for the year ended December 31, 2020. Annualized attrition, including both voluntary and involuntary, was approximately 34.6% for the three months ended December 31, 2021. Attrition, including both voluntary and involuntary, was approximately 30.8% for the year ended December 31, 2021. In 2021, voluntary attrition was significantly elevated and constituted the vast majority of our attrition for the period. By comparison, voluntary attrition in the year ended December 31, 2020 represented only approximately half of our attrition for the period as our personnel actions taken under our Fit for Growth Plan increased involuntary attrition while voluntary attrition was suppressed due to the COVID-19 pandemic. Attrition in all periods presented is weighted towards our more junior level employees.



\* Annualized attrition

### Segment Operating Profit

Segment operating profit and operating margin percentage were as follows:



Across all our business segments, operating margins benefited from savings from the implementation of the delivery cost optimization initiatives of our 2020 Fit for Growth Plan, the decrease in travel and entertainment costs due to COVID-19 related reductions in travel and the negative impact on our 2020 results of the COVID-19 pandemic and the April 2020 ransomware attack. In 2021, segment operating margins were negatively impacted by increased subcontractor and compensation costs as a result of significantly elevated employee attrition levels. The 2020 operating margin in our Financial Services segment includes the 2020 adverse Samlink Impact.

Total segment operating profit was as follows for the year ended December 31:

(Dollars in millions)	2021	% of Revenues	2020	% of Revenues	Increase / (Decrease)
Total segment operating profit	\$ 5,557	30.0	\$ 4,704	28.2	\$ 853
Less: unallocated costs	2,731		2,590		141
Income from operations	\$ 2,826	15.3	\$ 2,114	12.7	\$ 712

The increase of \$141 million in unallocated costs for the year ended December 31, 2021 as compared to the year ended December 31, 2020 was primarily due to increased costs as a result of our recently completed acquisitions and costs related to initiatives to reposition our brand and the modernization of our core IT systems. Unallocated costs in 2020 included restructuring costs, COVID-19 Charges and costs related to the April 2020 ransomware attack.

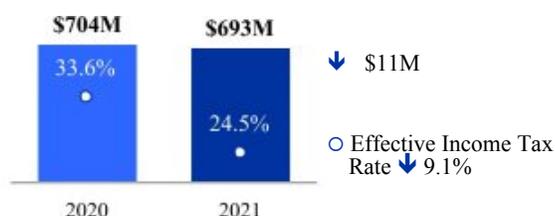
### Other Income (Expense), Net

Total other income (expense), net consists primarily of foreign currency exchange gains and losses, interest income and interest expense. The following table sets forth total other income (expense), net for the years ended December 31:

(in millions)	2021	2020	Increase / Decrease
Foreign currency exchange (losses)	\$ (33)	\$ (53)	\$ 20
Gains (losses) on foreign exchange forward contracts not designated as hedging instruments	13	(63)	76
Foreign currency exchange (losses), net	(20)	(116)	96
Interest income	30	119	(89)
Interest expense	(9)	(24)	15
Other, net	—	3	(3)
<b>Total other income (expense), net</b>	<b>\$ 1</b>	<b>\$ (18)</b>	<b>\$ 19</b>

The foreign currency exchange gains and losses were primarily attributed to the remeasurement of the Indian rupee denominated net monetary assets and liabilities in our U.S. dollar functional currency India subsidiaries and, to a lesser extent, the remeasurement of other net monetary assets and liabilities denominated in currencies other than the functional currencies of our subsidiaries. The gains and losses on our foreign exchange forward contracts not designated as hedging instruments related to the realized and unrealized gains and losses on foreign exchange forward contracts entered into to offset foreign currency exposure to non-U.S. dollar denominated net monetary assets and liabilities. As of December 31, 2021, the notional value of our undesignated hedges was \$847 million. The decrease in interest income of \$89 million was primarily attributable to lower invested balances in India, which generate higher yields. Our invested balances in India are lower in 2021 as a result of our repatriation of cash from India in the fourth quarter of 2020.

### Provision for Income Taxes



The effective tax rate decreased primarily as a result of:

- our decision in 2020 to reverse our indefinite reinvestment assertion on Indian earnings accumulated in prior years which resulted in a \$140 million Tax on Accumulated Indian Earnings recorded as income tax expense in 2020;
- the 2020 Samlink Impact, which was not deductible for tax purposes;
- the discrete benefit in 2021 of the settlement of the IRS examination for tax years 2012 through 2016 as described in [Note 11](#) to our consolidated financial statements; and
- lower non-deductible foreign currency exchange losses in our consolidated statement of operations in 2021.

### Net Income

The increase in net income was driven by higher income from operations and lower foreign currency exchange losses, partially offset by lower interest income.



### Non-GAAP Financial Measures

Portions of our disclosure include non-GAAP financial measures. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures should be read in conjunction with our financial statements

prepared in accordance with GAAP. The reconciliations of our non-GAAP financial measures to the corresponding GAAP measures, set forth below, should be carefully evaluated.

Our non-GAAP financial measures, Adjusted Operating Margin, Adjusted Income From Operations and Adjusted Diluted EPS exclude unusual items. Additionally, Adjusted Diluted EPS excludes net non-operating foreign currency exchange gains or losses and the tax impact of all the applicable adjustments. The income tax impact of each item is calculated by applying the statutory rate and local tax regulations in the jurisdiction in which the item was incurred. Constant currency revenue growth is defined as revenues for a given period restated at the comparative period's foreign currency exchange rates measured against the comparative period's reported revenues. Free cash flow is defined as cash flows from operating activities net of purchases of property and equipment.

We believe providing investors with an operating view consistent with how we manage the Company provides enhanced transparency into our operating results. For our internal management reporting and budgeting purposes, we use various GAAP and non-GAAP financial measures for financial and operational decision-making, to evaluate period-to-period comparisons, to determine portions of the compensation for our executive officers and for making comparisons of our operating results to those of our competitors. Therefore, it is our belief that the use of non-GAAP financial measures excluding certain costs provides a meaningful supplemental measure for investors to evaluate our financial performance. We believe that the presentation of our non-GAAP financial measures along with reconciliations to the most comparable GAAP measure, as applicable, can provide useful supplemental information to our management and investors regarding financial and business trends relating to our financial condition and results of operations.

A limitation of using non-GAAP financial measures versus financial measures calculated in accordance with GAAP is that non-GAAP financial measures do not reflect all of the amounts associated with our operating results as determined in accordance with GAAP and may exclude costs that are recurring such as our net non-operating foreign currency exchange gains or losses. In addition, other companies may calculate non-GAAP financial measures differently than us, thereby limiting the usefulness of these non-GAAP financial measures as a comparative tool. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from our non-GAAP financial measures to allow investors to evaluate such non-GAAP financial measures.

The following table presents a reconciliation of each non-GAAP financial measure to the most comparable GAAP measure for the years ended December 31:

<b>(Dollars in millions, except per share data)</b>	<b>2021</b>	<b>% of Revenues</b>	<b>2020</b>	<b>% of Revenues</b>
GAAP income from operations and operating margin	\$ 2,826	15.3 %	\$ 2,114	12.7 %
Class Action Settlement Loss <sup>(1)</sup>	20	0.1	—	—
Realignment charges <sup>(2)</sup>	—	—	42	0.3
2020 Fit for Growth Plan restructuring charges <sup>(3)</sup>	—	—	173	1.0
COVID-19 Charges <sup>(4)</sup>	—	—	65	0.4
<b>Adjusted Income From Operations and Adjusted Operating Margin</b>	<b>2,846</b>	<b>15.4</b>	<b>2,394</b>	<b>14.4</b>
GAAP diluted EPS	\$ 4.05		\$ 2.57	
Effect of above adjustments, pre-tax	0.04		0.52	
Effect of non-operating foreign currency exchange losses (gains), pre-tax <sup>(5)</sup>	0.03		0.22	
Tax effect of above adjustments <sup>(6)</sup>	—		(0.15)	
Tax on Accumulated Indian Earnings <sup>(7)</sup>	—		0.26	
<b>Adjusted Diluted EPS</b>	<b>\$ 4.12</b>		<b>\$ 3.42</b>	
Net cash provided by operating activities	\$ 2,495		\$ 3,299	
Purchases of property and equipment	(279)		(398)	
<b>Free cash flow</b>	<b>\$ 2,216</b>		<b>\$ 2,901</b>	

(1) During 2021, we recorded the Class Action Settlement Loss in "Selling, general and administrative expenses" in our consolidated financial statements. See [Note 15](#) to our consolidated financial statements for additional information.

(2) As part of our realignment program, during 2020, we incurred employee retention costs and certain professional fees. See [Note 4](#) to our consolidated financial statements for additional information.

- (3) As part of our 2020 Fit for Growth plan, during 2020, we incurred certain employee separation, employee retention and facility exit costs and other charges. See [Note 4](#) to our consolidated financial statements for additional information.
- (4) During 2020, we incurred costs in response to the COVID-19 pandemic including a one-time bonus to our employees at the designation of associate and below in both India and the Philippines, certain costs to enable our employees to work remotely and costs to provide medical staff and extra cleaning services for our facilities. Most of the costs related to the pandemic are reported in "Cost of revenues" in our consolidated statement of operations.
- (5) Non-operating foreign currency exchange gains and losses, inclusive of gains and losses on related foreign exchange forward contracts not designated as hedging instruments for accounting purposes, are reported in "Foreign currency exchange gains (losses), net" in our consolidated statements of operations.
- (6) Presented below are the tax impacts of each of our non-GAAP adjustments to pre-tax income:

(in millions)	For the years ended December 31,	
	2021	2020
Non-GAAP income tax benefit (expense) related to:		
Class Action Settlement Loss	\$ 6	\$ —
Realignment charges	—	11
2020 Fit for Growth Plan restructuring charges	—	45
COVID-19 Charges	—	17
Foreign currency exchange gains and losses	(5)	6

- (7) In 2020, we reversed our indefinite reinvestment assertion on Indian earnings accumulated in prior years and recorded \$140 million in income tax expense.

## Liquidity and Capital Resources

Cash generated from operations has historically been our primary source of liquidity to fund operations and investments to grow our business. As of December 31, 2021, we had cash, cash equivalents and short-term investments of \$2,719 million. Additionally, as of December 31, 2021, we had available capacity under our credit facilities of approximately \$1,925 million.

The following table provides a summary of our cash flows for the years ended December 31:

(in millions)	2021	2020	Increase / Decrease
Net cash provided by (used in):			
Operating activities	\$ 2,495	\$ 3,299	\$ (804)
Investing activities	(2,164)	(1,238)	(926)
Financing activities	(1,203)	(2,009)	806
<i>Other Cash Flow Information</i> <sup>7</sup>			
Free cash flow	2,216	2,901	(685)

## Operating activities

The decrease in cash provided by operating activities in 2021 compared to 2020 was primarily driven by the deferrals of certain non-income tax payments due to COVID-19 pandemic regulatory relief in 2020, a portion of which was remitted in 2021, and higher incentive-based compensation payouts in 2021.

We monitor turnover, aging and the collection of trade accounts receivable by client. Our DSO calculation includes trade accounts receivable, net of allowance for credit losses, and contract assets, reduced by the uncollected portion of our deferred revenue. DSO was 69 days as of December 31, 2021 and 70 days as of December 31, 2020.

## Investing activities

The increase in cash used in investing activities in 2021 compared to 2020 was primarily driven by net purchases of investments as compared to sales in 2020, partially offset by lower payments for acquisitions and capital expenditures.

<sup>7</sup> Free cash flow is not a measurement of financial performance prepared in accordance with GAAP. See "Non-GAAP Financial Measures" for more information.

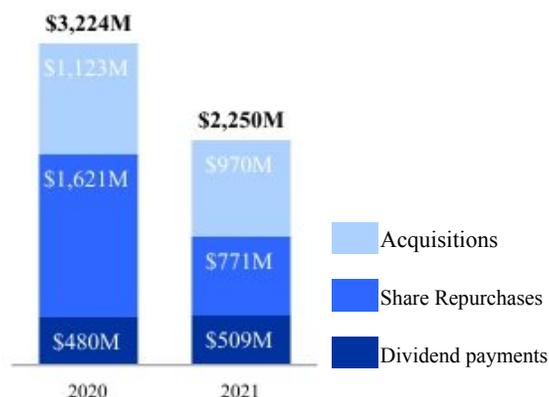
## Financing activities

The decrease in cash used in financing activities in 2021 compared to 2020 is primarily due to lower repurchases of common stock in 2021.

We have a Credit Agreement providing for a \$750 million Term Loan and a \$1,750 million unsecured revolving credit facility, which are due to mature in November 2023. We are required under the Credit Agreement to make scheduled quarterly principal payments on the Term Loan. See [Note 10](#) to our consolidated financial statements. We believe that we currently meet all conditions set forth in the Credit Agreement to borrow thereunder, and we are not aware of any conditions that would prevent us from borrowing part or all of the remaining available capacity under the revolving credit facility as of December 31, 2021 and through the date of this filing. As of December 31, 2021, we had no outstanding balance on our revolving credit facility.

In February 2021, our India subsidiary renewed its one-year 13 billion Indian rupee (\$175 million at the December 31, 2021 exchange rate) working capital facility, which requires us to repay any balances drawn down within 90 days from the date of disbursement. There is a 1.0% prepayment penalty applicable to payments made within 30 days of disbursement. This working capital facility contains affirmative and negative covenants and may be renewed annually in February. As of December 31, 2021, there was no balance outstanding under the working capital facility.

## Capital Allocation Framework



Our capital allocation framework anticipates the deployment of approximately 50% of our free cash flow<sup>8</sup> for acquisitions, 25% for share repurchases and 25% for dividend payments. We review our capital allocation framework on an ongoing basis, considering the potential impacts of COVID-19 pandemic, our financial performance and liquidity position, investments required to execute our strategic plans and initiatives, acquisition opportunities, the economic outlook, regulatory changes and other relevant factors. As these factors may change over time, the actual amounts expended on stock repurchase activity, dividends, and acquisitions, if any, during any particular period cannot be predicted and may fluctuate from time to time.

## Other Liquidity and Capital Resources Information

We seek to ensure that our worldwide cash is available in the locations in which it is needed. As part of our ongoing liquidity assessments, we regularly monitor the mix of our domestic and international cash flows and cash balances. We evaluate on an ongoing basis what portion of the non-U.S. cash, cash equivalents and short-term investments is needed locally to execute our strategic plans and what amount is available for repatriation back to the United States.

We expect our operating cash flows, cash and short-term investment balances, together with our available capacity under our revolving credit facilities, to be sufficient to meet our operating requirements, pay our purchase commitments and Tax Reform Act transition tax payments and service our debt for the next twelve months. Our Tax Reform Act transition tax payments are due in annual installments of \$50 million, \$94 million, \$126 million and \$157 million through 2025. We also have purchase commitments of approximately \$263 million which will be paid over the next two years. See [Note 7](#) to our consolidated financial statements for a description of our operating lease obligations.

Our ability to expand and grow our business in accordance with current plans, make acquisitions, meet our long-term capital requirements beyond a twelve-month period and execute our capital allocation framework will depend on many factors, including the rate, if any, at which our cash flow increases, our ability and willingness to pay for acquisitions with capital stock and the availability of public and private debt and equity financing. We cannot be certain that additional financing, if required, will be available on terms and conditions acceptable to us, if at all.

<sup>8</sup> Free cash flow is not a measurement of financial performance prepared in accordance with GAAP. See “Non-GAAP Financial Measures” for more information.

## Critical Accounting Estimates

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Management's discussion and analysis of our financial condition and results of operations is based on our accompanying consolidated financial statements that have been prepared in accordance with GAAP. We base our estimates on historical experience, current trends and on various other assumptions that are believed to be relevant at the time our consolidated financial statements are prepared. We evaluate our estimates on a continuous basis. However, the actual amounts may differ from the estimates used in the preparation of our consolidated financial statements.

We believe the following accounting estimates are the most critical to aid in fully understanding and evaluating our consolidated financial statements as they require the most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. Changes to these estimates could have a material effect on our results of operations and financial condition. Our significant accounting policies are described in [Note 1](#) to our consolidated financial statements.

*Revenue Recognition.* Revenues related to fixed-price contracts for application development and systems integration services, consulting or other technology services are recognized as the service is performed using the cost to cost method, under which the total value of revenues is recognized on the basis of the percentage that each contract's total labor cost to date bears to the total expected labor costs. Revenues related to fixed-price application maintenance, testing and business process services are recognized using the cost to cost method, if the right to invoice is not representative of the value being delivered. The cost to cost method requires estimation of future costs, which is updated as the project progresses to reflect the latest available information. Such estimates and changes in estimates involve the use of judgment. The cumulative impact of any revision in estimates is reflected in the financial reporting period in which the change in estimate becomes known. Net changes in estimates of such future costs and contract losses were immaterial to the consolidated results of operations for the periods presented.

*Income Taxes.* Determining the consolidated provision for income tax expense, deferred income tax assets (and related valuation allowance, if any) and liabilities requires significant judgment. We are required to calculate and provide for income taxes in each of the jurisdictions where we operate. Changes in the geographic mix of income before taxes or estimated level of annual pre-tax income can affect our overall effective income tax rate. In addition, transactions between our affiliated entities are arranged in accordance with applicable transfer pricing laws, regulations and relevant guidelines. As a result, and due to the interpretive nature of certain aspects of these laws and guidelines, we have pending applications for APAs before the taxing authorities in some of our most significant jurisdictions. It could take years for the relevant taxing authorities to negotiate and conclude these applications. The consolidated provision for income taxes may change period to period based on changes in facts and circumstances, such as settlements of income tax audits or finalization of our applications for APAs.

Our provision for income taxes also includes the impact of reserves established for uncertain income tax positions, as well as the related interest, which may require us to apply judgment to complex issues and may require an extended period of time to resolve. Although we believe we have adequately reserved for our uncertain tax positions, no assurance can be given that the final outcome of these matters will not differ from our recorded amounts. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit. To the extent that the final outcome of these matters differs from the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made.

*Business Combinations, Goodwill and Intangible Assets.* Goodwill and intangible assets, including indefinite-lived intangible assets, arise from the accounting for business combinations. We account for business combinations using the acquisition method which requires us to estimate the fair value of identifiable assets acquired, liabilities assumed, including any contingent consideration, and any noncontrolling interest in the acquiree to properly allocate purchase price to the individual assets acquired and liabilities assumed. The allocation of the purchase price utilizes estimates and assumptions in determining the fair values of identifiable assets acquired and liabilities assumed, especially with respect to intangible assets, including the timing and amount of forecasted revenues and cash flows, anticipated growth rates, client attrition rates and the discount rate reflecting the risk inherent in future cash flows.

We exercise judgment to allocate goodwill to the reporting units expected to benefit from each business combination. Goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, regulatory environment, established business plans, operating performance indicators or competition. Evaluation of goodwill for impairment requires judgment, including the identification of reporting units, assignment of assets, liabilities and goodwill to reporting units and determination of the fair value of each reporting unit.

We estimate the fair value of our reporting units using a combination of an income approach, utilizing a discounted cash flow analysis, and a market approach, using market multiples. Under the income approach, we estimate projected future cash flows, the timing of such cash flows and long-term growth rates, and determine the appropriate discount rate that reflects the risk inherent in the projected future cash flows. The discount rate used is based on a market participant weighted-average cost of capital and may be adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the reporting unit's ability to execute on the projected future cash flows. Under the market approach, we estimate fair value based on market multiples of revenues and earnings derived from comparable publicly-traded companies with characteristics similar to the reporting unit. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results, market conditions and other factors. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit.

Based on our most recent evaluation of goodwill performed during the fourth quarter of 2021, we concluded that the goodwill in each of our reporting units were not at risk of impairment. As of December 31, 2021, our goodwill balance was \$5,620 million.

We review our finite-lived assets, including our finite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. The carrying amount may not be recoverable when the sum of undiscounted expected future cash flows is less than the carrying amount of such asset groups. The impairment loss is determined as the amount by which the carrying amount of the asset group exceeds its fair value. Assessing the fair value of asset groups involves significant estimates and assumptions including estimation of future cash flows, the timing of such cash flows and discount rates reflecting the risk inherent in future cash flows.

## **Recently Adopted and New Accounting Pronouncements**

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See [Note 1](#) to our consolidated financial statements for additional information.

## **Forward Looking Statements**

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The statements contained in this Annual Report on Form 10-K that are not historical facts are forward-looking statements (within the meaning of Section 21E of the Exchange Act) that involve risks and uncertainties. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as “believe,” “expect,” “may,” “could,” “would,” “plan,” “intend,” “estimate,” “predict,” “potential,” “continue,” “should” or “anticipate” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. From time to time, we or our representatives have made or may make forward-looking statements, orally or in writing.

Such forward-looking statements may be included in various filings made by us with the SEC, in press releases or in oral statements made by or with the approval of one of our authorized executive officers. These forward-looking statements, such as statements regarding our anticipated future revenues or operating margin, earnings, capital expenditures, impacts to our business, financial results and financial condition as a result of the COVID-19 pandemic, the competitive marketplace for talent and future attrition trends, anticipated effective income tax rate and income tax expense, liquidity, access to capital, capital return strategy, investment strategies, cost management, plans and objectives, including those related to our digital practice areas, investment in our business, potential acquisitions, industry trends, client behaviors and trends, the outcome of and costs associated with regulatory and litigation matters, the appropriateness of the accrual related to the India Defined Contribution Obligation and other statements regarding matters that are not historical facts, are based on our current expectations, estimates and projections, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Actual results, performance, achievements and outcomes could differ materially from the results expressed in, or anticipated or implied by, these forward-looking statements. There are a number of important factors that could cause our results to differ materially from those indicated by such forward-looking statements, including:

- economic and political conditions globally and in particular in the markets in which our clients and operations are concentrated;
- the continuing impact of the COVID-19 pandemic, or other future pandemics, on our business, results of operations, liquidity and financial condition;
- our ability to attract, train and retain skilled employees, including highly skilled technical personnel to satisfy client demand and senior management to lead our business globally;
- challenges related to growing our business organically as well as inorganically through acquisitions, and our ability to achieve our targeted growth rates;
- our ability to achieve our profitability goals and maintain our capital return strategy;

- our ability to meet specified service levels or milestones required by certain of our contracts;
- intense and evolving competition and significant technological advances that our service offerings must keep pace with in the rapidly changing markets we compete in;
- legal, reputation and financial risks if we fail to protect client and/or our data from security breaches and/or cyber attacks;
- the effectiveness of our risk management, business continuity and disaster recovery plans and the potential that our global delivery capabilities could be impacted;
- restrictions on visas, in particular in the United States, United Kingdom and EU, or immigration more generally or increased costs of such visas or the wages we are required to pay employees on visas, which may affect our ability to compete for and provide services to our clients;
- risks related to anti-outsourcing legislation, if adopted, and negative perceptions associated with offshore outsourcing, both of which could impair our ability to serve our clients;
- risks and costs related to complying with numerous and evolving legal and regulatory requirements and client expectations in the many jurisdictions in which we operate;
- potential changes in tax laws, or in their interpretation or enforcement, failure by us to adapt our corporate structure and intercompany arrangements to achieve global tax efficiencies or adverse outcomes of tax audits, investigations or proceedings;
- potential exposure to litigation and legal claims in the conduct of our business; and
- the factors set forth in Part I, in the section entitled “[Item 1A. Risk Factors](#)” in this report.

You are advised to consult any further disclosures we make on related subjects in the reports we file with the SEC, including this report in the sections titled “[Part I, Item 1. Business](#),” “[Part I, Item 1A. Risk Factors](#)” and “[Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations](#).” We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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

### Foreign Currency Risk

We are exposed to foreign currency exchange rate risk in the ordinary course of doing business as we transact or hold a portion of our funds in foreign currencies, particularly the Indian rupee. Accordingly, we periodically evaluate the need for hedging strategies, including the use of derivative financial instruments, to mitigate the effect of foreign currency exchange rate fluctuations and expect to continue to use such instruments in the future to reduce foreign currency exposure to changes in the value of certain foreign currencies. All hedging transactions are authorized and executed pursuant to regularly reviewed policies and procedures.

Revenues from our clients in the United Kingdom, Continental Europe and Rest of World represented 8.9%, 10.3% and 7.1%, respectively, of our 2021 revenues, and are typically denominated in currencies other than the U.S. dollar. Accordingly, our revenues may be affected by fluctuations in the exchange rates, primarily the British pound and the Euro, as compared to the U.S. dollar.

A significant portion of our costs in India are denominated in the Indian rupee, representing 21.2% of our global operating costs during 2021, and are subject to foreign currency exchange rate fluctuations. These foreign currency exchange rate fluctuations have an impact on our results of operations.

We have entered into a series of foreign exchange forward and option contracts that are designated as cash flow hedges of certain Indian rupee denominated payments in India. These U.S. dollar / Indian rupee hedges are intended to partially offset the impact of movement of exchange rates on future operating costs. As of December 31, 2021, the notional value and weighted average contract rates of these contracts by year of maturity were as follows:

	Notional Value (in millions)	Weighted Average Contract Rate (Indian rupee to U.S. dollar)
2022	\$ 1,643	78.7
2023	880	80.9
Total	\$ 2,523	79.4

As of December 31, 2021, the net unrealized gain on our outstanding foreign exchange forward and option contracts designated as cash flow hedges was \$66 million. Based upon a sensitivity analysis at December 31, 2021, which estimates the fair value of the contracts assuming certain market exchange rate fluctuations, a 10.0% change in the foreign currency exchange rate against the U.S. dollar with all other variables held constant would have resulted in a change in the fair value of our foreign exchange forward and option contracts designated as cash flow hedges of approximately \$249 million.

A portion of our balance sheet is exposed to foreign currency exchange rate fluctuations, which may result in non-operating foreign currency exchange gains or losses upon remeasurement. In 2021, we reported foreign currency exchange losses, exclusive of hedging losses, of approximately \$33 million, which were primarily attributed to the remeasurement of net monetary assets and liabilities denominated in currencies other than the functional currencies of our subsidiaries. We use foreign exchange forward contracts that are scheduled to mature in 2022 to provide an economic hedge against balance sheet exposure to certain monetary assets and liabilities denominated in currencies other than the functional currency of the subsidiary. At December 31, 2021, the notional value of these outstanding contracts was \$847 million and the net unrealized loss was \$4 million. Based upon a sensitivity analysis of our foreign exchange forward contracts at December 31, 2021, which estimates the fair value of the contracts assuming certain market exchange rate fluctuations, a 10.0% change in the foreign currency exchange rate against the U.S. dollar with all other variables held constant would have resulted in a change in the fair value of approximately \$21 million.

### Interest Rate Risk

We have a Credit Agreement providing for a \$750 million unsecured Term Loan and a \$1,750 million unsecured revolving credit facility, which are due to mature in November 2023. We are required under the Credit Agreement to make scheduled quarterly principal payments on the Term Loan.

The Credit Agreement requires interest to be paid, at our option, at either the ABR, the Eurocurrency Rate or the Daily Simple RFR (each as defined in the Credit Agreement), plus, in each case, an Applicable Margin (as defined in the Credit Agreement). Initially, the Applicable Margin is 0.875% with respect to Eurocurrency Rate and Daily Simple RFR and 0.00%

with respect to ABR loans. Subsequently, the Applicable Margin with respect to Eurocurrency Rate and Daily Simple RFR may range from 0.75% to 1.125%, depending on our public debt ratings (or, if we have not received public debt ratings, from 0.875% to 1.125%, depending on our Leverage Ratio, which is the ratio of indebtedness for borrowed money to Consolidated EBITDA, as defined in the Credit Agreement). The Term Loan is a Eurocurrency loan. Thus, our debt exposes us to market risk from changes in interest rates. We performed a sensitivity analysis to determine the effect of interest rate fluctuations on our interest expense. A 10.0% change in interest rates, with all other variables held constant, would have an immaterial effect on our reported interest expense.

Information provided by the sensitivity analysis of foreign currency risk and interest rate risk does not necessarily represent the actual changes that would occur under normal market conditions.

## **Item 8. Financial Statements and Supplementary Data**

The financial statements required to be filed pursuant to this Item 8 are appended to this Annual Report on Form 10-K. A list of the financial statements filed herewith is found in Part IV, "[Item 15. Exhibits, Financial Statements and Financial Statement Schedule.](#)"

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

Our management, under the supervision and with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2021. Based on this evaluation, our chief executive officer and our chief financial officer concluded that, as of December 31, 2021, our disclosure controls and procedures were effective.

### **Changes in Internal Control over Financial Reporting**

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the fiscal quarter ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Management's Responsibility for Financial Statements**

Our management is responsible for the integrity and objectivity of all information presented in this annual report. The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and include amounts based on management's best estimates and judgments. Management believes the consolidated financial statements fairly reflect the form and substance of transactions and that the financial statements fairly represent the Company's financial position and results of operations.

The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets regularly with the Company's independent registered public accounting firm and representatives of management to review accounting, financial reporting, internal control and audit matters, as well as the nature and extent of the audit effort.

## Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended, and is a process designed by, or under the supervision of, our chief executive and chief financial officers and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*.

Based on its evaluation, our management has concluded that, as of December 31, 2021, our internal control over financial reporting was effective. PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited the financial statements included in this annual report, has issued an attestation report on our internal control over financial reporting, as stated in their report which is included on page F-2.

## Inherent Limitations of Internal Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Item 9B. Other Information

None.

## Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information relating to our executive officers in response to this item is contained in part under the caption “Information About Our Executive Officers” in [Part I](#) of this Annual Report on Form 10-K.

We have adopted a written code of ethics, entitled “Code of Ethics,” that applies to all of our directors, executive officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions. We make available our code of ethics free of charge through our website which is located at [www.cognizant.com](http://www.cognizant.com). We intend to post on our website all disclosures that are required by law or Nasdaq Stock Market listing standards concerning any amendments to, or waivers from, any provision of our code of ethics.

The remaining information required by this item will be included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders and is incorporated herein by reference to such proxy statement.

### **Item 11. Executive Compensation**

The information required by this item will be included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders and is incorporated herein by reference to such proxy statement.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item will be included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders and is incorporated herein by reference to such proxy statement.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item will be included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders and is incorporated herein by reference to such proxy statement.

### **Item 14. Principal Accountant Fees and Services**

The information required by this item will be included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders and is incorporated herein by reference to such proxy statement.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

- (a) (1) Consolidated Financial Statements.  
Reference is made to the Index to Consolidated Financial Statements on Page F-1.
- (2) Consolidated Financial Statement Schedule.  
Reference is made to the Index to Financial Statement Schedule on Page F-1.
- (3) Exhibits.

Schedules other than as listed above are omitted as not required or inapplicable or because the required information is provided in the consolidated financial statements, including the notes thereto.

**EXHIBIT INDEX**

Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Date	
3.1	<a href="#">Restated Certificate of Incorporation, dated June 5, 2018</a>	8-K	000-24429	3.1	6/7/2018	
3.2	<a href="#">Amended and Restated Bylaws, as adopted on September 24, 2018</a>	8-K	000-24429	3.1	9/20/2018	
4.1	<a href="#">Specimen Certificate for shares of Class A common stock</a>	S-4/A	333-101216	4.2	1/30/2003	
4.2	<a href="#">Description of Capital Stock</a>	10-K	000-24429	4.2	2/14/2020	
10.1†	<a href="#">Form of Indemnification Agreement for Directors and Officers</a>	10-Q	000-24429	10.1	8/7/2013	
10.2†	<a href="#">Form of Amended and Restated Executive Employment and Non-Disclosure, Non-Competition, and Invention Assignment Agreement, between the Company and each of the following Executive Officers: Brian Humphries, Jan Siegmund, Becky Schmitt, Robert Telesmanic, Balu Ganesh Ayyar, Gregory Hyttenrauch, Ursula Morgenstern, Andrew Stafford and John Kim</a>	10-K	000-24429	10.3	2/27/2018	
10.3†	<a href="#">Offer Letter, by and between the Company and Brian Humphries, acknowledged and agreed November 30, 2018</a>	10-K	000-24429	10.4	2/19/2019	
10.4†	<a href="#">Offer Letter, by and between the Company and Jan Siegmund, acknowledged and agreed July 8, 2020</a>	8-K	000-24429	10.1	7/29/2020	
10.5†	<a href="#">Offer Letter, by and between the Company and Becky Schmitt, acknowledged and agreed November 26, 2019</a>	10-K	000-24429	10.6	2/12/2021	
10.6†	<a href="#">Offer Letter, by and between the Company and Rajesh Nambiar, acknowledged and agreed September 16, 2020</a>					Filed
10.7†	<a href="#">2004 Employee Stock Purchase Plan (as amended and restated effective as of January 1, 2022)</a>					Filed
10.8†	<a href="#">Form of Stock Option Certificate</a>	10-Q	000-24429	10.1	11/8/2004	

Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Date	
10.9†	<a href="#">Cognizant Technology Solutions Corporation Amended and Restated 2009 Incentive Compensation Plan, effective March 9, 2015</a>	10-Q	000-24429	10.1	5/4/2015	
10.10†	<a href="#">Form of Cognizant Technology Solutions Corporation Stock Option Agreement</a>	8-K	000-24429	10.1	7/6/2009	
10.11†	<a href="#">Form of Cognizant Technology Solutions Corporation Notice of Grant of Stock Option</a>	8-K	000-24429	10.2	7/6/2009	
10.12†	<a href="#">Form of Cognizant Technology Solutions Corporation Restricted Stock Unit Award Agreement Time-Based Vesting</a>	8-K	000-24429	10.3	7/6/2009	
10.13†	<a href="#">Form of Cognizant Technology Solutions Corporation Notice of Award of Restricted Stock Units Time-Based Vesting</a>	8-K	000-24429	10.4	7/6/2009	
10.14†	<a href="#">Form of Cognizant Technology Solutions Corporation Restricted Stock Unit Award Agreement Performance-Based Vesting</a>	8-K	000-24429	10.5	7/6/2009	
10.15†	<a href="#">Form of Cognizant Technology Solutions Corporation Notice of Award of Restricted Stock Units Performance-Based Vesting</a>	8-K	000-24429	10.6	7/6/2009	
10.16†	<a href="#">Form of Restricted Stock Unit Award Agreement Non-Employee Director Deferred Issuance</a>	8-K	000-24429	10.7	7/6/2009	
10.17†	<a href="#">Form of Cognizant Technology Solutions Corporation Notice of Award of Restricted Stock Units Non-Employee Director Deferred Issuance</a>	8-K	000-24429	10.8	7/6/2009	
10.18†	<a href="#">Cognizant Technology Solutions Corporation 2017 Incentive Award Plan</a>	8-K	000-24429	10.1	6/7/2017	
10.19†	<a href="#">Form of Restricted Stock Unit Award Grant Notice</a>	10-Q	000-24429	10.2	8/3/2017	
10.20†	<a href="#">Form of Performance-Based Restricted Stock Unit Award Grant Notice</a>	10-Q	000-24429	10.3	8/3/2017	
10.21†	<a href="#">Form of Restricted Stock Unit Award Grant Notice</a>	10-Q	000-24429	10.4	8/3/2017	
10.22†	<a href="#">Form of Stock Option Grant Notice and Stock Option Agreement</a>	10-Q	000-24429	10.5	8/3/2017	
10.23†	<a href="#">Form of Restricted Stock Unit Award Grant Notice (March 5, 2020 form)</a>	10-Q	000-24429	10.1	5/8/2020	
10.24†	<a href="#">Form of Performance-Based Restricted Stock Unit Award Grant Notice (March 5, 2020 form)</a>	10-Q	000-24429	10.2	5/8/2020	
10.25	<a href="#">Form of Accelerated Stock Repurchase Agreement</a>	8-K	000-24429	10.1	3/14/2017	
10.26	<a href="#">Credit Agreement, dated as of November 6, 2018, among Cognizant Technology Solutions Corporation, Cognizant Worldwide Limited, certain financial institutions party thereto and JPMorgan Chase Bank, N.A., as administrative agent</a>	8-K	000-24429	10.1	11/9/2018	
10.27	<a href="#">Amendment No. 1 to Credit Agreement, dated as of December 23, 2021, among Cognizant Technology Solutions Corporation, Cognizant Worldwide Limited, JPMorgan Chase Bank, N.A., as administrative agent</a>					Filed
10.28†	<a href="#">Retirement, Death and Disability Policy</a>	10-Q	000-24429	10.1	7/30/2020	

Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Date	
21.1	<a href="#">List of subsidiaries of the Company</a>					Filed
23.1	<a href="#">Consent of PricewaterhouseCoopers LLP</a>					Filed
31.1	<a href="#">Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)</a>					Filed
31.2	<a href="#">Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)</a>					Filed
32.1	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350 (Chief Executive Officer)</a>					Furnished
32.2	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350 (Chief Financial Officer)</a>					Furnished
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					Filed
101.SCH	Inline XBRL Taxonomy Extension Schema Document					Filed
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					Filed
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					Filed
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					Filed
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					Filed
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					Filed

† A management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(a)(3) of Form 10-K.

## Item 16. Form 10-K Summary

None.



**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**  
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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Cognizant Technology Solutions Corporation

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated statements of financial position of Cognizant Technology Solutions Corporation and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of operations, of comprehensive income, of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Change in Accounting Principle***

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Revenue Recognition – Expected Labor Costs to Complete for Certain Fixed-Price Contracts*

As described in Notes 1 and 2 to the consolidated financial statements, fixed-price contracts comprised \$7.3 billion of the Company's total revenues for the year ended December 31, 2021, which includes performance obligations where control is transferred over time. For performance obligations where control is transferred over time, revenues are recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the deliverables to be provided. Management recognizes revenues related to fixed-price contracts for application development and systems integration services, consulting or other technology services as the service is performed using the cost to cost method, under which the total value of revenues is recognized on the basis of the percentage that each contract's total labor cost to date bears to the total expected labor costs. The cost to cost method requires estimation of future costs, which is updated as the project progresses to reflect the latest available information. Revenues related to fixed-price application maintenance, testing and business process services are recognized based on management's right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If management's invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

The principal considerations for our determination that performing procedures relating to revenue recognition – expected labor costs to complete for certain fixed-price contracts is a critical audit matter are the significant judgment by management when developing the estimated total expected labor costs to complete fixed-price contracts and the significant auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to management's estimate of total expected labor costs.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the development of the estimated total expected labor costs to complete fixed-price contracts. These procedures also included, among others, evaluating and testing management's process for developing the estimated total expected labor costs for a sample of contracts, which included evaluating the reasonableness of the total expected labor cost assumptions used by management. Evaluating the reasonableness of the assumptions related to the total expected labor costs involved assessing management's ability to reasonably develop total expected labor costs by (i) performing a comparison of actual labor costs incurred with expected labor costs for similar completed projects and (ii) evaluating the timely identification of circumstances that may warrant a modification to previous labor cost estimates, including actual labor costs in excess of estimates.

/s/ PricewaterhouseCoopers LLP  
New York, New York  
February 16, 2022

We have served as the Company's auditor since 1997.

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(in millions, except par values)	December 31,	
	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,792	\$ 2,680
Short-term investments	927	44
Trade accounts receivable, net	3,557	3,087
Other current assets	1,066	1,040
Total current assets	7,342	6,851
Property and equipment, net	1,171	1,251
Operating lease assets, net	933	1,013
Goodwill	5,620	5,031
Intangible assets, net	1,218	1,046
Deferred income tax assets, net	404	445
Long-term investments	463	440
Other noncurrent assets	701	846
Total assets	\$ 17,852	\$ 16,923
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 361	\$ 389
Deferred revenue	403	383
Short-term debt	38	38
Operating lease liabilities	195	211
Accrued expenses and other current liabilities	2,532	2,519
Total current liabilities	3,529	3,540
Deferred revenue, noncurrent	40	36
Operating lease liabilities, noncurrent	783	846
Deferred income tax liabilities, net	218	206
Long-term debt	626	663
Long-term income taxes payable	378	428
Other noncurrent liabilities	287	368
Total liabilities	5,861	6,087
Commitments and contingencies (See <a href="#">Note 15</a> )		
Stockholders' equity:		
Preferred stock, \$0.10 par value, 15 shares authorized, none issued	—	—
Class A common stock, \$0.01 par value, 1,000 shares authorized, 525 and 530 shares issued and outstanding as of December 31, 2021 and 2020, respectively	5	5
Additional paid-in capital	27	32
Retained earnings	11,922	10,689
Accumulated other comprehensive income (loss)	37	110
Total stockholders' equity	11,991	10,836
Total liabilities and stockholders' equity	\$ 17,852	\$ 16,923

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

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions, except per share data)	Year Ended December 31,		
	2021	2020	2019
Revenues	\$ 18,507	\$ 16,652	\$ 16,783
Operating expenses:			
Cost of revenues (exclusive of depreciation and amortization expense shown separately below)	11,604	10,671	10,634
Selling, general and administrative expenses	3,503	3,100	2,972
Restructuring charges	—	215	217
Depreciation and amortization expense	574	552	507
Income from operations	2,826	2,114	2,453
Other income (expense), net:			
Interest income	30	119	176
Interest expense	(9)	(24)	(26)
Foreign currency exchange gains (losses), net	(20)	(116)	(65)
Other, net	—	3	5
Total other income (expense), net	1	(18)	90
Income before provision for income taxes	2,827	2,096	2,543
Provision for income taxes	(693)	(704)	(643)
Income (loss) from equity method investments	3	—	(58)
Net income	\$ 2,137	\$ 1,392	\$ 1,842
Basic earnings per share	\$ 4.06	\$ 2.58	\$ 3.30
Diluted earnings per share	\$ 4.05	\$ 2.57	\$ 3.29
Weighted average number of common shares outstanding—Basic	527	540	559
Dilutive effect of shares issuable under stock-based compensation plans	1	1	1
Weighted average number of common shares outstanding—Diluted	528	541	560

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

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(in millions)	Year Ended December 31,		
	2021	2020	2019
Net income	\$ 2,137	\$ 1,392	\$ 1,842
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(75)	119	39
Change in unrealized gains and losses on cash flow hedges	2	29	29
Change in unrealized losses on available-for-sale investment securities	—	—	8
Other comprehensive income (loss)	(73)	148	76
Comprehensive income	\$ 2,064	\$ 1,540	\$ 1,918

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

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

(in millions, except per share data)	Class A Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount				
Balance, December 31, 2018	577	\$ 6	\$ 47	\$ 11,485	\$ (114)	\$ 11,424
Cumulative effect of changes in accounting principle <sup>(1)</sup>	—	—	—	2	—	2
Net income	—	—	—	1,842	—	1,842
Other comprehensive income (loss)	—	—	—	—	76	76
Common stock issued, stock-based compensation plans	7	—	159	—	—	159
Stock-based compensation expense	—	—	217	—	—	217
Repurchases of common stock	(36)	(1)	(390)	(1,856)	—	(2,247)
Dividends declared, \$0.80 per share	—	—	—	(451)	—	(451)
Balance, December 31, 2019	548	5	33	11,022	(38)	11,022
Cumulative effect of changes in accounting principle <sup>(2)</sup>	—	—	—	1	—	1
Net income	—	—	—	1,392	—	1,392
Other comprehensive income (loss)	—	—	—	—	148	148
Common stock issued, stock-based compensation plans	6	—	142	—	—	142
Stock-based compensation expense	—	—	232	—	—	232
Repurchases of common stock	(24)	—	(375)	(1,246)	—	(1,621)
Dividends declared, \$0.88 per share	—	—	—	(480)	—	(480)
Balance, December 31, 2020	530	5	32	10,689	110	10,836
Net income	—	—	—	2,137	—	2,137
Other comprehensive income (loss)	—	—	—	—	(73)	(73)
Common stock issued, stock-based compensation plans	5	—	130	—	—	130
Stock-based compensation expense	—	—	246	—	—	246
Repurchases of common stock	(10)	—	(381)	(394)	—	(775)
Dividends declared, \$0.96 per share	—	—	—	(510)	—	(510)
Balance, December 31, 2021	525	\$ 5	\$ 27	\$ 11,922	\$ 37	\$ 11,991

(1) Reflects the adoption of the New Lease Standard on January 1, 2019.

(2) Reflects the adoption of the Credit Loss Standard on January 1, 2020.

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

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)	Year Ended December 31,		
	2021	2020	2019
<b>Cash flows from operating activities:</b>			
Net income	\$ 2,137	\$ 1,392	\$ 1,842
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	574	559	526
Deferred income taxes	27	184	(306)
Stock-based compensation expense	246	232	217
Other	(1)	119	119
Changes in assets and liabilities:			
Trade accounts receivable	(407)	264	37
Other current and noncurrent assets	348	73	159
Accounts payable	(35)	109	8
Deferred revenue, current and noncurrent	19	65	56
Other current and noncurrent liabilities	(413)	302	(159)
<b>Net cash provided by operating activities</b>	<b>2,495</b>	<b>3,299</b>	<b>2,499</b>
<b>Cash flows from investing activities:</b>			
Purchases of property and equipment	(279)	(398)	(392)
Purchases of available-for-sale investment securities	(430)	—	(333)
Proceeds from maturity or sale of available-for-sale investment securities	120	—	2,107
Purchases of held-to-maturity investment securities	(203)	(202)	(693)
Proceeds from maturity of held-to-maturity investment securities	180	467	1,498
Purchases of other investments	(1,660)	(531)	(483)
Proceeds from maturity or sale of other investments	1,078	549	501
Payments for business combinations, net of cash acquired	(970)	(1,123)	(617)
<b>Net cash (used in) provided by investing activities</b>	<b>(2,164)</b>	<b>(1,238)</b>	<b>1,588</b>
<b>Cash flows from financing activities:</b>			
Issuance of common stock under stock-based compensation plans	130	142	159
Repurchases of common stock	(771)	(1,621)	(2,247)
Repayment of Term Loan borrowings and finance lease and earnout obligations	(53)	(50)	(28)
Proceeds from borrowing under the revolving credit facility	—	1,740	—
Repayment of notes outstanding under the revolving credit facility	—	(1,740)	—
Dividends paid	(509)	(480)	(453)
<b>Net cash (used in) financing activities</b>	<b>(1,203)</b>	<b>(2,009)</b>	<b>(2,569)</b>
Effect of exchange rate changes on cash and cash equivalents	(16)	(17)	(34)
(Decrease) increase in cash and cash equivalents	(888)	35	1,484
Cash and cash equivalents, beginning of year	2,680	2,645	1,161
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,792</b>	<b>\$ 2,680</b>	<b>\$ 2,645</b>
<b>Supplemental information:</b>			
Cash paid for income taxes during the year	\$ 625	\$ 745	\$ 870
Cash interest paid during the year	\$ 7	\$ 25	\$ 25

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

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in millions, except share data)**

**Note 1 — Business Description and Summary of Significant Accounting Policies**

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The terms “Cognizant,” “we,” “our,” “us” and “the Company” refer to Cognizant Technology Solutions Corporation and its subsidiaries unless the context indicates otherwise.

*Description of Business.* We are one of the world’s leading professional services companies, engineering modern business for the digital era. Our services include digital services and solutions, consulting, application development, systems integration, application testing, application maintenance, infrastructure services and business process services. Digital services have become an increasingly important part of our portfolio, aligning with our clients’ focus on becoming data-enabled, customer-centric and differentiated businesses. We are continuing to invest in digital services with a focus on four key areas: IoT, digital engineering, data and cloud. We tailor our services and solutions to specific industries with an integrated global delivery model that employs client service and delivery teams based at client locations and dedicated global and regional delivery centers. We help clients modernize technology, reimagine processes and transform experiences so they can stay ahead in a fast-changing world.

*Basis of Presentation, Principles of Consolidation and Use of Estimates.* The consolidated financial statements are presented in accordance with GAAP and reflect the consolidated financial position, results of operations, comprehensive income and cash flows of our consolidated subsidiaries for all periods presented. All intercompany balances and transactions have been eliminated in consolidation.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying disclosures. We evaluate our estimates on a continuous basis. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The actual amounts may vary from the estimates used in the preparation of the accompanying consolidated financial statements.

*Cash and Cash Equivalents and Investments.* Cash and cash equivalents consist of all cash balances, including money market funds, certificates of deposits and commercial paper that have a maturity, at the date of purchase, of 90 days or less.

We determine the appropriate classification of our investments in marketable securities at the date of purchase and reevaluate such designation at each balance sheet date. We classify and account for our marketable debt securities as either available-for-sale or held-to-maturity. After consideration of our risk versus reward objectives, as well as our liquidity requirements, we may sell our available-for-sale securities prior to their stated maturities. We classify these marketable securities with maturities at the date of purchase beyond 90 days as short-term investments based on their highly liquid nature and because such marketable securities represent an investment of cash that is available for current operations. Available-for-sale securities are reported at fair value with changes in unrealized gains and losses recorded as a separate component of “Accumulated other comprehensive income (loss)” on the consolidated statements of financial position until realized. We determine the cost of the securities sold based on the specific identification method. Our held-to-maturity investment securities are financial instruments for which we have the intent and ability to hold to maturity and we classify these securities with maturities less than one year as short-term investments. Any held-to-maturity investment securities with maturities beyond one year from the balance sheet date are classified as long-term investments. Held-to-maturity securities are reported at amortized cost. Interest and amortization of premiums and discounts for debt securities are included in interest income.

For available-for-sale debt securities, if we do not intend to sell the security or it is not more likely than not that we will be required to sell the security before recovery of our amortized cost, we evaluate qualitative criteria, such as the financial health of and specific prospects for the issuer, to determine whether we do not expect to recover the amortized cost basis of the security. We also evaluate quantitative criteria including determining whether there has been an adverse change in expected future cash flows. If we do not expect to recover the entire amortized cost basis of the security, we consider the security to contain an expected credit loss, and we record the difference between the security’s amortized cost basis and its recoverable amount in earnings as an allowance for credit loss and the difference between the security’s recoverable amount and fair value in other comprehensive income. If we intend to sell the security or it is more likely than not we will be required to sell the security before recovery of its amortized cost basis, the security is considered impaired, and we recognize the entire difference between the security’s amortized cost basis and its fair value in earnings.

On initial recognition and on an ongoing basis, we evaluate our held-to-maturity investment securities for expected credit losses collectively when they share similar risk characteristics or individually, when the risk characteristics are different. The allowance for expected credit losses is determined using our historical loss experience. We monitor the credit ratings of the

securities in our portfolio to evaluate the need for any changes to the allowance. An increase or a decrease in the allowance for expected credit losses is recorded through income as a credit loss expense or a reversal thereof. The allowance for expected credit losses is presented as a deduction from the amortized cost. A held-to-maturity investment security is written off when deemed uncollectible.

*Financial Assets and Liabilities.* Cash and certain cash equivalents, time deposits, trade receivables, accounts payable and other accrued liabilities are short-term in nature and, accordingly, their carrying values approximate fair value.

*Property and Equipment.* Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease or the estimated useful life of the asset. Deposits paid towards acquisition of long-lived assets and the cost of assets not put in use by the balance sheet date are disclosed under the caption "Capital work-in-progress" in [Note 6](#).

*Leases.* Our lease asset classes primarily consist of operating leases for office space, data centers and IT equipment. At inception of a contract, we determine whether a contract contains a lease, and if a lease is identified, whether it is an operating or finance lease. In determining whether a contract contains a lease we consider whether (1) we have the right to obtain substantially all of the economic benefits from the use of the asset throughout the term of the contract, (2) we have the right to direct how and for what purpose the asset is used throughout the term of the contract and (3) we have the right to operate the asset throughout the term of the contract without the lessor having the right to change the terms of the contract. Some of our lease agreements contain both lease and non-lease components that we account for as a single lease component for all of our lease asset classes.

Our ROU lease assets represent our right to use an underlying asset for the lease term and may include any advance lease payments made and any initial direct costs and exclude lease incentives. Our lease liabilities represent our obligation to make lease payments arising from the terms of the lease. ROU lease assets and lease liabilities are recognized at the commencement of the lease and are calculated using the present value of lease payments over the lease term. Typically, our lease agreements do not provide sufficient detail to determine the rate implicit in the lease. Therefore, we use our estimated country-specific incremental borrowing rate based on information available at the commencement date of the lease to calculate the present value of the lease payments. In estimating our country-specific incremental borrowing rates, we consider market rates of comparable collateralized borrowings for similar terms. Our lease terms may include the option to extend or terminate the lease before the end of the contractual lease term. Our ROU lease assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

A portion of our real estate lease costs is subject to annual changes in the CPI. The changes to the CPI are treated as variable lease payments and are recognized in the period in which the obligation for those payments is incurred. Other variable lease costs primarily relate to adjustments for common area maintenance, utilities, property tax and lease concessions. These variable costs are recognized in the period in which the obligation is incurred.

We elect not to recognize ROU assets and lease liabilities for short-term leases with a term equal to or less than 12 months. We recognize the lease payments in our income statement on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

Both ROU assets and finance lease assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the related asset group may not be recoverable.

*Internal Use Software.* We capitalize certain costs that are incurred to purchase, develop and implement internal-use software during the application development phase, which primarily include coding, testing and certain data conversion activities. Capitalized costs are amortized on a straight-line basis over the useful life of the software. Costs incurred in performing planning and post-implementation activities are expensed as incurred.

*Cloud Computing Arrangements.* We defer certain implementation costs that are incurred when implementing cloud computing service or SaaS arrangements, which primarily include efforts associated with configuration and development activities. Once the service is ready for use, deferred costs are expensed over the term of the arrangement and recognized in income from operations.

*Software to be Sold, Leased or Marketed.* We capitalize costs incurred after technological feasibility is reached but before software is available for general release to clients, which primarily include coding and testing activities. Once the product is ready for general release, capitalized costs are amortized over the useful life of the software.

*Business Combinations.* We account for business combinations using the acquisition method, which requires the identification of the acquirer, the determination of the acquisition date and the allocation of the purchase price paid by the acquirer to the identifiable tangible and intangible assets acquired, the liabilities assumed, including any contingent consideration and any noncontrolling interest in the acquiree at their acquisition date fair values. Goodwill represents the excess of the purchase price over the fair value of net assets acquired, including the amount assigned to identifiable intangible assets. Identifiable intangible assets with finite lives are amortized over their expected useful lives. Acquisition-related costs are expensed in the periods in which the costs are incurred. The results of operations of acquired businesses are included in our consolidated financial statements from the acquisition date.

*Equity Method Investments.* Equity investments that give us the ability to exercise significant influence, but not control, over an investee are accounted for using the equity method of accounting and recorded in the caption "Long-term investments" on our consolidated statements of financial position. Equity method investments are initially recorded at cost. We periodically review the carrying value of our equity method investments to determine if there has been an other-than-temporary decline in the carrying value. The investment balance is increased to reflect contributions and our share of earnings and decreased to reflect our share of losses, distributions, and other-than-temporary impairments. Our proportionate share of the net income or loss of the investee is recorded in the caption "Income (loss) from equity method investments" on our consolidated statements of operations.

*Long-lived Assets and Finite-lived Intangible Assets.* We review long-lived assets and certain finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. The carrying amount may not be recoverable when the sum of undiscounted expected future cash flows is less than the carrying amount of such asset groups. The impairment loss is determined as the amount by which the carrying amount of the asset group exceeds its fair value. Intangible assets consist primarily of customer relationships and developed technology, which are being amortized on a straight-line basis over their estimated useful lives.

*Goodwill and Indefinite-lived Intangible Assets.* We evaluate goodwill and indefinite-lived intangible assets for impairment at least annually, or as circumstances warrant. Goodwill is evaluated at the reporting unit level by comparing the fair value of the reporting unit with its carrying amount including goodwill. An impairment of goodwill exists if the carrying amount of the reporting unit exceeds its fair value. The impairment loss is the amount by which the carrying amount exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit. For indefinite-lived intangible assets, if our qualitative assessment indicates that it is more-likely-than-not that an indefinite-lived intangible asset is impaired, we test the assets for impairment by comparing the fair value of such assets to their carrying value. If an impairment is indicated, a write down to the fair value of indefinite-lived intangible asset is recorded.

*Stock Repurchase Program.* Under the Board of Directors authorized stock repurchase program, the Company is authorized to repurchase its Class A common stock through open market purchases, including under a 10b5-1 Plan, or in private transactions, including through ASR agreements entered into with financial institutions, in accordance with applicable federal securities laws. We account for the repurchased shares as constructively retired. Shares are returned to the status of authorized and unissued shares at the time of repurchase or in the periods they are delivered if repurchased under an ASR. To reflect share repurchases in the consolidated statements of financial position, we (1) reduce common stock for the par value of the shares, (2) reduce additional paid-in capital for the amount in excess of par during the period in which the shares are repurchased and (3) record any residual amount in excess of available additional paid-in capital to retained earnings. Upfront payments related to ASRs are accounted for as a reduction to stockholders' equity in the consolidated statements of financial position in the period the payments are made.

*Revenue Recognition.* We recognize revenues as we transfer control of deliverables (products, solutions and services) to our clients in an amount reflecting the consideration to which we expect to be entitled. To recognize revenues, we apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. We account for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. We apply judgment in determining the customer's ability and intention to pay based on a variety of factors including the customer's historical payment experience.

For performance obligations where control is transferred over time, revenues are recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the deliverables to be provided.

Revenues related to fixed-price contracts for application development and systems integration services, consulting or other technology services are recognized as the service is performed using the cost to cost method, under which the total value

of revenues is recognized on the basis of the percentage that each contract's total labor cost to date bears to the total expected labor costs. Revenues related to fixed-price application maintenance, testing and business process services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with the value delivered, revenues are recognized as the service is performed based on the cost to cost method described above. The cost to cost method requires estimation of future costs, which is updated as the project progresses to reflect the latest available information; such estimates and changes in estimates involve the use of judgment. The cumulative impact of any revision in estimates is reflected in the financial reporting period in which the change in estimate becomes known and any anticipated losses on contracts are recognized immediately, where appropriate.

Revenues related to fixed-price hosting and infrastructure services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with the value delivered, revenues are recognized on a straight-line basis unless revenues are earned and obligations are fulfilled in a different pattern. The revenue recognition method applied to the types of contracts described above provides the most faithful depiction of performance towards satisfaction of our performance obligations; for example, the cost to cost method is used when the value of services provided to the customer is best represented by the costs expended to deliver those services.

Revenues related to our time-and-materials, transaction-based or volume-based contracts are recognized over the period the services are provided either using an output method such as labor hours, or a method that is otherwise consistent with the way in which value is delivered to the customer.

Revenues related to our non-hosted software license arrangements that do not require significant modification or customization of the underlying software are recognized when the software is delivered as control is transferred at a point in time. For software license arrangements that require significant functionality enhancements or modification of the software, revenues for the software license and related services are recognized as the services are performed in accordance with the methods applicable to application development and systems integration services described above. In software hosting arrangements, the rights provided to the customer, such as ownership of a license, contract termination provisions and the feasibility of the client to operate the software, are considered in determining whether the arrangement includes a license or a service. Sales and usage-based fees promised in exchange for licenses of intellectual property are not recognized as revenue until the uncertainty related to the variable amounts is resolved. Revenues related to software maintenance and support are generally recognized on a straight-line basis over the contract period.

Incentive revenues, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value) or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration to which we may be entitled. We include in the transaction price variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether and when to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Revenues also include the reimbursement of out-of-pocket expenses. Our warranties generally provide a customer with assurance that the related deliverable will function as the parties intended because it complies with agreed-upon specifications and are therefore not considered an additional performance obligation in the contract.

We may enter into arrangements that consist of multiple performance obligations. Such arrangements may include any combination of our deliverables. To the extent a contract includes multiple promised deliverables, we apply judgment to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations, we allocate consideration among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which we would sell a promised good or service separately to the customer. When not directly observable, we typically estimate standalone selling price by using the expected cost plus a margin approach. We typically establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change.

We assess the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, we do not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component

is deemed to exist. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our services, not to receive or provide financing from or to customers. We do not consider set up or transition fees paid upfront by our customers to represent a financing component, as such fees are required to encourage customer commitment to the project and protect us from early termination of the contract.

Our contracts may be modified to add, remove or change existing performance obligations. The accounting for modifications to our contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price. Services added to our application development and systems integration service contracts are typically not distinct, while services added to our other contracts, including application maintenance, testing and business process services contracts, are typically distinct.

From time to time, we may enter into arrangements with third party suppliers to resell products or services. In such cases, we evaluate whether we are the principal (i.e., report revenues on a gross basis) or agent (i.e., report revenues on a net basis). In doing so, we evaluate whether we control the good or service before it is transferred to the customer. If we control the good or service before it is transferred to the customer, we are the principal; if not, we are the agent. Determining whether we control the good or service before it is transferred to the customer may require judgment.

*Trade Accounts Receivable, Contract Assets and Contract Liabilities.* We classify our right to consideration in exchange for deliverables as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional (i.e., only the passage of time is required before payment is due). For example, we recognize a receivable for revenues related to our time and materials and transaction or volume-based contracts when earned regardless of whether amounts have been billed. We present such receivables in "Trade accounts receivable, net" in our consolidated statements of financial position at their net estimated realizable value. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in "Other current assets" in our consolidated statements of financial position and primarily relate to unbilled amounts on fixed-price contracts utilizing the cost to cost method of revenue recognition. Our contract liabilities, or deferred revenue, consist of advance payments from clients and billings in excess of revenues recognized. We classify deferred revenue as current or noncurrent based on the timing of when we expect to recognize the revenues.

Our contract assets and contract liabilities are reported on a net basis by contract at the end of each reporting period. The difference between the opening and closing balances of our contract assets and contract liabilities primarily results from the timing difference between our performance obligations and the client's payment. We receive payments from clients based on the terms established in our contracts, which vary by contract type.

*Allowance for Credit Losses.* We calculate expected credit losses for our trade accounts receivable and contract assets. Expected credit losses include losses expected based on known credit issues with specific customers as well as a general expected credit loss allowance based on relevant information, including historical loss rates, current conditions, and reasonable economic forecasts that affect collectibility. We update our allowance for credit losses on a quarterly basis with changes in the allowance recognized in income from operations.

*Costs to Fulfill.* Recurring operating costs for contracts with customers are recognized as incurred. Certain eligible, nonrecurring costs (i.e., set-up or transition costs) are capitalized when such costs (1) relate directly to the contract, (2) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future, and (3) are expected to be recovered. These costs are expensed ratably over the estimated life of the customer relationship, including expected contract renewals. In determining the estimated life of the customer relationship, we evaluate the average contract term, on a portfolio basis by nature of the services to be provided, and apply judgment in evaluating the rate of technological and industry change. Capitalized amounts are monitored regularly for impairment. Impairment losses are recorded when projected remaining undiscounted operating cash flows are not sufficient to recover the carrying amount of the capitalized costs to fulfill.

*Stock-Based Compensation.* Stock-based compensation expense for awards of equity instruments to employees and non-employee directors is determined based on the grant date fair value of those awards. We recognize these compensation costs net of an estimated forfeiture rate over the requisite service period of the award. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates. Stock-based compensation costs for PSUs are recognized on a graded-vesting basis over the vesting period based on the most probable outcome of the performance conditions. If the minimum performance targets are not met, no compensation cost is recognized and any recognized compensation cost is reversed, except for awards subject to a market condition. The fair value of RSUs and PSUs is determined

based on the number of stock units granted and the quoted price of our stock at the date of grant. The fair value of PSUs granted subject to a market condition is determined using a Monte Carlo valuation model.

*Foreign Currency.* The assets and liabilities of our foreign subsidiaries whose functional currency is not the U.S. dollar are translated into U.S. dollars at current exchange rates while revenues and expenses are translated at average monthly exchange rates. The resulting translation adjustments are recorded in the caption "Accumulated other comprehensive income (loss)" on the consolidated statements of financial position.

Foreign currency transactions and balances are those that are denominated in a currency other than the entity's functional currency. An entity's functional currency is the currency of the primary economic environment in which it operates. The U.S. dollar is the functional currency for some of our foreign subsidiaries. For these subsidiaries, transactions and balances denominated in the local currency are foreign currency transactions. Foreign currency transactions and balances related to non-monetary assets and liabilities are remeasured to the functional currency of the entity at historical exchange rates while monetary assets and liabilities are remeasured to the functional currency of the entity at current exchange rates. Foreign currency exchange gains or losses from remeasurement are included in the caption "Foreign currency exchange gain (losses), net" on our consolidated statements of operations together with gains or losses on our undesignated foreign currency hedges.

*Derivative Financial Instruments.* Derivative financial instruments are recorded on our consolidated statements of financial position as either an asset or liability measured at its fair value as of the reporting date. Our derivative financial instruments consist primarily of foreign exchange forward and option contracts. For derivative financial instruments to qualify for hedge accounting, the following criteria must be met: (1) the hedging instrument must be designated as a hedge; (2) the hedged exposure must be specifically identifiable and must expose us to risk; and (3) it must be expected that a change in fair value of the hedging instrument and an opposite change in the fair value of the hedged exposure will have a high degree of correlation. Changes in our derivatives' fair values are recognized in net income unless specific hedge accounting and documentation criteria are met (i.e., the instruments are designated and accounted for as hedges). We record the effective portion of the unrealized gains and losses on our derivative financial instruments that are designated as cash flow hedges in the caption "Accumulated other comprehensive income (loss)" in the consolidated statements of financial position. Any ineffectiveness or excluded portion of a designated cash flow hedge is recognized in net income. Upon occurrence of the hedged transaction, the gains and losses on the derivative are recognized in net income.

*Income Taxes.* We provide for income taxes utilizing the asset and liability method of accounting. Under this method, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each balance sheet date, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. If it is determined that it is more likely than not that future tax benefits associated with a deferred income tax asset will not be realized, a valuation allowance is provided. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized in the provision for income taxes in the period that includes the enactment date.

Our provision for income taxes also includes the impact of provisions established for uncertain income tax positions, as well as any related penalties and interest. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit. To the extent that the final outcome of these matters differs from the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made.

*Earnings Per Share.* Basic EPS is computed by dividing earnings available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS includes all potential dilutive common stock in the weighted average shares outstanding. We exclude from the calculation of diluted EPS options with exercise prices that are greater than the average market price and shares related to stock-based awards whose combined exercise price and unamortized fair value were greater in each of those periods than the average market price of our common stock for the period, because their effect would be anti-dilutive. We excluded less than 1 million of anti-dilutive shares in each of 2021, 2020 and 2019 from our diluted EPS calculation. We include PSUs in the dilutive common shares when they become contingently issuable per the authoritative guidance and exclude them when they are not contingently issuable.

**Recently Adopted Accounting Pronouncements**

<b>Date Issued and Topic</b>	<b>Date Adopted and Method</b>	<b>Description</b>	<b>Impact</b>
February 2016  Leases	January 1, 2019  Effective Date Method	The new standard replaces the existing guidance on leases and requires the lessee to recognize a ROU asset and a lease liability for all leases with lease terms greater than twelve months. For finance leases, the lessee recognizes interest expense and amortization of the ROU asset, and for operating leases, the lessee recognizes total lease expense on a straight-line basis.	As a result of the adoption, we recorded an increase to opening retained earnings of \$2 million.
June 2016  Financial Instruments- Credit Losses	January 1, 2020  Modified Retrospective	The new standard requires the measurement and recognition of expected credit losses using the current expected credit loss model for financial assets held at amortized cost, which includes the Company's trade accounts receivable, certain financial instruments and contract assets. It replaces the existing incurred loss impairment model with an expected loss methodology. The recorded credit losses are adjusted each period for changes in expected lifetime credit losses. The standard requires a cumulative effect adjustment to the statement of financial position as of the beginning of the first reporting period in which the guidance is effective.	As a result of the adoption, we recorded an increase to our opening retained earnings and "Trade accounts receivable, net" of \$1 million each.  Prior year amounts are not adjusted and continue to be reported in accordance with our historical accounting policies.

**Note 2 — Revenues****Disaggregation of Revenues**

The tables below present disaggregated revenues from contracts with clients by client location, service line and contract-type for each of our business segments. We believe this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. Our consulting and technology services include consulting, application development, systems integration, and application testing services as well as software solutions and related services while our outsourcing services include application maintenance, infrastructure and business process services. Revenues are attributed to geographic regions based upon client location, which is the client's billing address. Substantially all revenues in our North America region relate to clients in the United States.

(in millions)	Year Ended					Total
	December 31, 2021					
	FS	HC	P&R	CMT		
<b>Revenues</b>						
Geography:						
North America	\$ 4,204	\$ 4,571	\$ 2,937	\$ 1,924	\$	13,636
United Kingdom	547	168	471	456		1,642
Continental Europe	745	477	539	158		1,919
Europe - Total	1,292	645	1,010	614		3,561
Rest of World	555	121	329	305		1,310
Total	\$ 6,051	\$ 5,337	\$ 4,276	\$ 2,843	\$	18,507
<b>Service line:</b>						
Consulting and technology services	\$ 4,079	\$ 3,090	\$ 2,725	\$ 1,693	\$	11,587
Outsourcing services	1,972	2,247	1,551	1,150		6,920
Total	\$ 6,051	\$ 5,337	\$ 4,276	\$ 2,843	\$	18,507
<b>Type of contract:</b>						
Time and materials	\$ 3,613	\$ 2,063	\$ 1,785	\$ 1,679	\$	9,140
Fixed-price	2,063	2,157	2,085	1,032		7,337
Transaction or volume-based	375	1,117	406	132		2,030
Total	\$ 6,051	\$ 5,337	\$ 4,276	\$ 2,843	\$	18,507

(in millions)	Year Ended					Total
	December 31, 2020					
	FS	HC	P&R	CMT		
<b>Revenues</b>						
Geography:						
North America	\$ 4,013	\$ 4,181	\$ 2,650	\$ 1,737	\$	12,581
United Kingdom	463	157	371	344		1,335
Continental Europe	629	434	413	177		1,653
Europe - Total	1,092	591	784	521		2,988
Rest of World	516	80	262	225		1,083
Total	\$ 5,621	\$ 4,852	\$ 3,696	\$ 2,483	\$	16,652
<b>Service line:</b>						
Consulting and technology services	\$ 3,691	\$ 2,786	\$ 2,249	\$ 1,456	\$	10,182
Outsourcing services	1,930	2,066	1,447	1,027		6,470
Total	\$ 5,621	\$ 4,852	\$ 3,696	\$ 2,483	\$	16,652
<b>Type of contract:</b>						
Time and materials	\$ 3,548	\$ 1,950	\$ 1,548	\$ 1,515	\$	8,561
Fixed-price	1,736	1,777	1,741	871		6,125
Transaction or volume-based	337	1,125	407	97		1,966
Total	\$ 5,621	\$ 4,852	\$ 3,696	\$ 2,483	\$	16,652

	Year Ended December 31, 2019				
(in millions)	FS	HC	P&R	CMT	Total
Revenues					
Geography:					
North America	\$ 4,137	\$ 4,147	\$ 2,678	\$ 1,764	\$ 12,726
United Kingdom	484	130	380	319	1,313
Continental Europe	728	341	453	169	1,691
Europe - Total	1,212	471	833	488	3,004
Rest of World	520	77	259	197	1,053
Total	\$ 5,869	\$ 4,695	\$ 3,770	\$ 2,449	\$ 16,783
Service line:					
Consulting and technology services	\$ 3,782	\$ 2,564	\$ 2,295	\$ 1,305	\$ 9,946
Outsourcing services	2,087	2,131	1,475	1,144	6,837
Total	\$ 5,869	\$ 4,695	\$ 3,770	\$ 2,449	\$ 16,783
Type of contract:					
Time and materials	\$ 3,651	\$ 1,845	\$ 1,632	\$ 1,528	\$ 8,656
Fixed-price	1,922	1,635	1,730	803	6,090
Transaction or volume-based	296	1,215	408	118	2,037
Total	\$ 5,869	\$ 4,695	\$ 3,770	\$ 2,449	\$ 16,783

During the fourth quarter of 2021, we reached a settlement agreement with the final customer involved in our previously disclosed proposed exit from a large customer engagement of our Samlink subsidiary and additionally entered into an agreement to sell this subsidiary. We reached settlement agreements with the other two customers to this engagement in the second quarter of 2021. The financial terms of the final settlement agreements with the three customers did not materially differ from our original 2020 offer and, accordingly, the impact to our 2021 consolidated statement of operations was immaterial. In 2020, in connection with our settlement offer, we recorded a reduction of revenues of \$118 million and additional expenses of \$33 million, primarily related to the impairment of long-lived assets. The sale of our Samlink subsidiary closed on February 1, 2022.

### Costs to Fulfill

The following table presents information related to the capitalized costs to fulfill, such as setup or transition activities. Costs to fulfill are recorded in "Other noncurrent assets" in our consolidated statements of financial position and the amortization expense of costs to fulfill is included in "Cost of revenues" in our consolidated statements of operations. Costs to obtain contracts were immaterial for the period disclosed.

(in millions)	2021	2020
Beginning balance	\$ 467	\$ 485
Costs capitalized	56	98
Amortization expense	(118)	(102)
Impairment charge	(11)	(14)
Ending balance	\$ 394	\$ 467

## Contract Balances

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in "Other current assets" in our consolidated statements of financial position and primarily relate to unbilled amounts on fixed-price contracts utilizing the cost to cost method of revenue recognition. The table below shows significant movements in contract assets:

(in millions)	2021		2020	
Beginning balance	\$	315	\$	334
Revenues recognized during the period but not billed		275		289
Amounts reclassified to trade accounts receivable		(280)		(308)
Ending balance	\$	310	\$	315

Our contract liabilities, or deferred revenue, consist of advance payments and billings in excess of revenues recognized. The table below shows significant movements in the deferred revenue balances (current and noncurrent):

(in millions)	2021		2020	
Beginning balance	\$	419	\$	336
Amounts billed but not recognized as revenues		413		368
Revenues recognized related to the beginning balance of deferred revenue		(389)		(285)
Ending balance	\$	443	\$	419

Revenues recognized during the year ended December 31, 2021 for performance obligations satisfied or partially satisfied in previous periods were immaterial.

## Remaining Performance Obligations

As of December 31, 2021, the aggregate amount of transaction price allocated to remaining performance obligations, was \$1,586 million, of which approximately 80% is expected to be recognized as revenues within 2 years. Disclosure is not required for performance obligations that meet any of the following criteria:

- (1) contracts with a duration of one year or less as determined under ASC Topic 606 "Revenue from Contracts with Customers",
- (2) contracts for which we recognize revenues based on the right to invoice for services performed,
- (3) variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation in accordance with ASC 606-10-25-14(b), for which the criteria in ASC 606-10-32-40 have been met, or
- (4) variable consideration in the form of a sales-based or usage based royalty promised in exchange for a license of intellectual property.

Many of our performance obligations meet one or more of these exemptions and therefore are not included in the remaining performance obligation amount disclosed above.

## Trade Accounts Receivable and Allowance for Credit Losses

We calculate expected credit losses for our trade accounts receivable based on historical credit loss rates for each aging category as adjusted for the current market conditions and forecasts about future economic conditions. The following table presents the activity in the allowance for credit losses for the trade accounts receivable:

(in millions)	2021		2020		2019	
Beginning balance	\$	57	\$	67	\$	78
Impact of adoption of the Credit Loss Standard		—		(1)		—
Credit loss expense		6		8		(11)
Write-offs charged against the allowance		(13)		(17)		—
Ending balance	\$	50	\$	57	\$	67

## Note 3 — Business Combinations

Acquisitions completed during each of the three years ended December 31, 2021, 2020 and 2019 were not individually or in the aggregate material to our operations. Accordingly, pro forma results have not been presented. We have allocated the purchase price related to these transactions to tangible and intangible assets acquired and liabilities assumed, including goodwill, based on their estimated fair values. The primary items that generated goodwill are the value of the acquired assembled workforces and synergies between the acquired companies and us, neither of which qualify as an identifiable intangible asset.

### 2021

In 2021, we acquired 100% ownership in each of the following:

- Linium, a cloud transformation consultancy group specializing in the ServiceNow platform and solutions for smart digital enterprise workflows, acquired to broaden our enterprise service management capabilities (acquired January 31, 2021);
- Magenic, a provider of agile software and cloud development, DevOps, experience design and advisory services across a range of industries, acquired to enhance our global software engineering expertise (acquired February 1, 2021);
- Servian, an Australia-based enterprise transformation consultancy specializing in data analytics, AI, digital services, experience design and cloud, acquired to enhance our digital portfolio and market presence in Australia and New Zealand (acquired April 1, 2021);
- ESG Mobility, a digital automotive engineering research and development provider for connected, autonomous and electric vehicles, acquired to expand our digital engineering expertise, particularly in connected vehicles (acquired June 1, 2021);
- TQS, a global industrial data and intelligence company, acquired to accelerate our growth in IoT, data and analytics (acquired July 30, 2021).
- Hunter, a provider of digital engineering and project management services, acquired to extend our talent network in key markets, expanding our digital engineering resources in the United States (acquired August 16, 2021); and
- Devbridge, a software consultancy and product development company, acquired to expand our software product engineering capabilities and global delivery footprint (acquired December 9, 2021).

The allocations of preliminary purchase price to the fair value of the assets acquired and liabilities assumed were as follows:

(dollars in millions)	Devbridge	Servian	Magenic	ESG Mobility	Linium	Other	Total	Weighted Average Useful Life
Cash	\$ 7	\$ 4	\$ 13	\$ 28	\$ —	\$ 2	\$ 54	
Trade accounts receivable	12	15	17	30	5	12	91	
Property and equipment and other assets	5	6	4	8	1	4	28	
Operating lease assets, net	11	5	10	27	—	1	54	
Non-deductible goodwill	41	184	10	26	—	18	279	
Tax-deductible goodwill	140	—	137	24	57	10	368	
Customer relationship assets	72	77	90	77	24	32	372	9.8 years
Other intangible assets	—	2	1	—	—	—	3	3.8 years
Current liabilities	(11)	(12)	(29)	(22)	(2)	(7)	(83)	
Noncurrent liabilities	(9)	(29)	(7)	(66)	—	(6)	(117)	
Purchase price, inclusive of contingent consideration	\$ 268	\$ 252	\$ 246	\$ 132	\$ 85	\$ 66	\$ 1,049	

For the year ended December 31, 2021, revenues from acquisitions completed in 2021, since the dates of acquisition, were \$301 million. For acquisitions completed in 2021, the allocation of purchase price is preliminary and will be finalized as soon as practicable within the measurement period, but in no event later than one year following the date of acquisition.

## 2020

In 2020, we acquired 100% ownership in each of the following:

- Code Zero, a provider of consulting and implementation services acquired to strengthen our cloud solutions portfolio and Salesforce Configure-Price-Quote and billing capabilities (acquired on January 31, 2020);
- Lev, a Salesforce Platinum Partner specializing in digital marketing consultancy and implementation of custom cloud solutions acquired to expand our global Salesforce practice (acquired on March 27, 2020);
- EI-Technologies, a digital technology consulting firm and leading Salesforce specialist acquired to expand our global Salesforce practice (acquired on May 29, 2020);
- Collaborative Solutions, a provider of Workday enterprise cloud applications for finance and human resources acquired to strengthen our portfolio of cloud offerings (acquired on June 10, 2020);
- New Signature, an independent Microsoft public cloud transformation company acquired to expand our hyperscale cloud advisory services and provide the foundation for our dedicated practice centered on Microsoft cloud solutions (acquired on August 18, 2020);
- the net assets of Tin Roof, a custom software and digital product development services company acquired to expand our software product engineering footprint in the United States (acquired on September 16, 2020);
- 10<sup>th</sup> Magnitude, a leading cloud specialist focused on the Microsoft Azure cloud computing platform acquired to expand our Microsoft Azure expertise (acquired on September 30, 2020);
- the net assets of Bright Wolf, a technology service provider specializing in customer Industrial IoT solutions acquired to expand our smart products offering and expertise in architecting and implementing Industrial IoT solutions (acquired on November 2, 2020); and
- Inawisdom, an Amazon Web Services consulting partner with expertise in AI, machine learning, and data analytics acquired to expand our client services in Europe and strengthen our end-to-end cloud-native AI and machine learning solutions portfolio (acquired on December 18, 2020).

The allocations of purchase price to the fair value of the assets acquired and liabilities assumed were as follows:

(dollars in millions)	Collaborative Solutions	New Signature	Tin Roof	10th Magnitude	Others	Total	Weighted Average Useful Life
Cash	\$ 10	\$ 13	\$ —	\$ 2	\$ 10	\$ 35	
Trade accounts receivable	38	13	10	7	21	89	
Property and equipment and other assets	6	6	1	2	15	30	
Operating lease assets, net	6	7	2	4	13	32	
Non-deductible goodwill	44	292	—	90	66	492	
Deductible goodwill	281	—	86	39	92	498	
Customer relationship intangible assets	37	8	69	10	21	145	9.8 years
Other intangible assets	8	1	—	—	2	11	5.4 years
Current liabilities	(25)	(20)	(13)	(15)	(23)	(96)	
Noncurrent liabilities	(5)	(8)	(2)	(5)	(15)	(35)	
Purchase price, inclusive of contingent consideration <sup>(1)</sup>	\$ 400	\$ 312	\$ 153	\$ 134	\$ 202	\$ 1,201	

- (1) The purchase price for our acquisitions includes contingent consideration components with a collective maximum payout of \$59 million, valued at \$42 million at the date of acquisition, which is contingent upon achieving certain performance thresholds during the first two calendar years following the date of acquisition.

For the year ended December 31, 2020, revenues from acquisitions completed in 2020, since the dates of acquisition, were \$222 million.

## Note 4 — Restructuring Charges

During 2020 and 2019, we incurred costs related to both our realignment program and our 2020 Fit for Growth Plan. Our realignment program, which began in 2017, improved our client focus, cost structure and the efficiency and effectiveness of our delivery while continuing to drive revenue growth. Our 2020 Fit for Growth Plan, which began in the fourth quarter of 2019, simplified our organizational model and optimized our cost structure in order to partially fund the investments required to execute on our strategy and advance our growth agenda and included our decision to exit certain content-related services that were not in line with our strategic vision for the Company. The total costs related to our realignment program and our 2020 Fit for Growth Plan are reported in "Restructuring charges" in our consolidated statements of operations. We do not allocate these charges to individual segments in internal management reports used by the chief operating decision maker. Accordingly, such expenses are included in our segment reporting as "unallocated costs". See [Note 18](#).

During 2020 we incurred \$42 million of certain employee retention costs and professional fees related to our realignment program and \$173 million of employee separation, employee retention and facility exit costs and other charges related to our 2020 Fit for Growth Plan. During 2019, we incurred \$169 million of employee separation costs, certain employee retention costs, professional fees and Executive Transition Costs related to our realignment program and \$48 million of employee separation, employee retention and facility exit costs and other charges related to our 2020 Fit for Growth Plan. We did not incur any costs related to these plans during 2021.

## Note 5 — Investments

Our investments were as follows as of December 31:

(in millions)	2021	2020
Short-term investments:		
Equity investment security	\$ 26	\$ 27
Available-for-sale investment securities	310	—
Held-to-maturity investment securities	37	14
Time deposits	554	3
<b>Total short-term investments</b>	<b>\$ 927</b>	<b>\$ 44</b>
Long-term investments:		
Other investments	\$ 66	\$ 35
Restricted time deposits <sup>(1)</sup>	397	405
<b>Total long-term investments</b>	<b>\$ 463</b>	<b>\$ 440</b>

(1) See [Note 11](#).

### Equity Investment Security

Our equity investment security is a U.S. dollar denominated investment in a fixed income mutual fund. Realized and unrealized gains and losses were immaterial for the years ended December 31, 2021, 2020 and 2019.

### Available-for-Sale Investment Securities

Our available-for-sale investment securities consist of highly rated U.S. dollar denominated investments in commercial paper maturing within one year. As of December 31, 2021, the amortized cost and fair value of our available-for-sale investments were \$310 million. Unrealized gains and losses were immaterial as of December 31, 2021.

Proceeds from sales of available-for-sale investment securities and the gross gains and losses that have been included in earnings as a result of those sales were as follows:

(in millions)	2021	2020	2019
Proceeds from sales of available-for-sale investment securities	\$ —	\$ —	\$ 1,712
Gross gains	\$ —	\$ —	\$ 6
Gross losses	—	—	(5)
Net realized gains on sales of available-for-sale investment securities	\$ —	\$ —	\$ 1

## Held-to-Maturity Investment Securities

Our held-to-maturity investment securities consist of Indian rupee denominated investments primarily in commercial paper and international corporate bonds. Our investment guidelines are to purchase securities that are investment grade at the time of acquisition. The basis for the measurement of fair value of our held-to-maturity investments is Level 2 in the fair value hierarchy.

The amortized cost and fair value of held-to-maturity investment securities were as follows as of December 31:

(in millions)	2021		2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Short-term investments, due within one year:				
Corporate and other debt securities	\$ 17	\$ 17	\$ 14	\$ 14
Commercial paper	20	20	—	—
Total held-to-maturity investments	\$ 37	\$ 37	\$ 14	\$ 14

As of December 31, 2021, corporate and other debt securities in the amount of \$17 million and commercial paper in the amount of \$10 million were in an unrealized loss position. The total unrealized loss was less than \$1 million and none of the securities had been in an unrealized loss position for longer than 12 months. As of December 31, 2020, there were no held-to-maturity investment securities in an unrealized loss position.

The securities in our portfolio are highly rated and short-term in nature. As of December 31, 2021, our corporate and other debt securities were rated AA+ or better and our commercial paper securities were rated A-1+ by CRISIL, an Indian subsidiary of S&P Global.

## Other Investments

As of December 31, 2021 and 2020, we had equity method investments of \$63 million and \$31 million, respectively, primarily related to an investment in the technology sector. As of December 31, 2021 and 2020, we had equity securities without a readily determinable fair value of \$3 million and \$4 million, respectively.

During 2019, as a result of events indicating one of our equity method investments, valued at \$66 million as of December 31, 2018, experienced an other-than-temporary impairment, we assessed its fair value and determined that the carrying value exceeded the fair value. As such, we recorded an impairment charge of \$57 million in the fourth quarter of 2019 within the caption "Income (loss) from equity method investments" in our consolidated statement of operations. In determining the fair value of the equity method investment, we considered results from the following valuation methodologies: income approach, based on discounted future cash flows, market approach, based on current market multiples and net asset value approach, based on the assets and liabilities of the investee.

## Note 6 — Property and Equipment, net

Property and equipment were as follows as of December 31:

	Estimated Useful Life	2021		2020	
	(in years)	(in millions)			
Buildings	30	\$	777	\$	783
Computer equipment	3 – 5		638		636
Computer software	3 – 8		926		840
Furniture and equipment	5 – 9		772		761
Land			7		7
Capital work-in-progress			116		122
Leasehold improvements	Shorter of the lease term or the life of the asset		431		424
Sub-total			3,667		3,573
Accumulated depreciation and amortization			(2,496)		(2,322)
Property and equipment, net		\$	1,171	\$	1,251

Depreciation and amortization expense related to property and equipment was \$392 million, \$407 million and \$363 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The gross amount of property and equipment recorded under finance leases was \$24 million and \$37 million as of December 31, 2021 and 2020, respectively. Accumulated amortization for our ROU finance lease assets was \$17 million and \$23 million as of December 31, 2021 and 2020, respectively. Amortization expense related to our ROU finance lease assets was \$7 million, \$7 million, and \$11 million for the years ended December 31, 2021, 2020, and 2019 respectively.

The gross amount of property and equipment recorded for software to be sold, leased or marketed reported in the caption "Computer software" above was \$201 million and \$159 million as of December 31, 2021 and 2020, respectively. Accumulated amortization for software to be sold, leased or marketed was \$106 million and \$73 million as of December 31, 2021 and 2020, respectively. Amortization expense for software to be sold, leased or marketed recorded as property and equipment was \$33 million, \$30 million and \$22 million for the years ended December 31, 2021, 2020 and 2019, respectively.

## Note 7 — Leases

The following table provides information on the components of our operating and finance leases included in our consolidated statement of financial position as of December 31:

Leases	Location on Statement of Financial Position	2021		2020	
		(in millions)			
<b>Assets</b>					
ROU operating lease assets	Operating lease assets, net	\$	933	\$	1,013
ROU finance lease assets	Property and equipment, net		7		14
	Total	\$	940	\$	1,027
<b>Liabilities</b>					
<b>Current</b>					
Operating lease	Operating lease liabilities	\$	195	\$	211
Finance lease	Accrued expenses and other current liabilities		8		11
<b>Noncurrent</b>					
Operating lease	Operating lease liabilities, noncurrent		783		846
Finance lease	Other noncurrent liabilities		5		11
	Total	\$	991	\$	1,079

For the years ended December 31, 2021, 2020 and 2019, our operating lease costs were \$293 million, \$302 million and \$264 million, respectively, including variable lease costs of \$10 million, \$14 million and \$18 million, respectively. Our short-

term lease rental expense was \$22 million, \$20 million and \$16 million for the years ended December 31, 2021, 2020 and 2019, respectively. Lease interest expense related to our finance leases for years ended December 31, 2021, 2020 and 2019 was immaterial.

The following table provides information on the weighted average remaining lease term and weighted average discount rate for our operating leases as of December 31:

Operating Lease Term and Discount Rate	2021	2020
Weighted average remaining lease term	6.5 years	6.2 years
Weighted average discount rate	5.4 %	5.7 %

The following table provides supplemental cash flow and non-cash information related to our operating leases as of December 31:

(in millions)	2021	2020	2019
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 274	\$ 271	\$ 232
ROU assets obtained in exchange for operating lease liabilities	100	273	274

Cash paid for amounts included in the measurement of finance lease liabilities and ROU assets obtained in exchange for finance lease liabilities were each immaterial for the years ended December 31, 2021, 2020 and 2019.

The following table provides the schedule of maturities of our operating lease liabilities and a reconciliation of the undiscounted cash flows to the operating lease liabilities recognized in the statement of financial position as of December 31:

(in millions)	2021
2022	\$ 241
2023	197
2024	161
2025	138
2026	112
Thereafter	318
Total operating lease payments	1,167
Interest	(189)
Total operating lease liabilities	\$ 978

As of December 31, 2021, we had \$88 million of additional obligations related to operating leases whose lease term had yet to commence and which are therefore not included in our statement of financial position. These leases are primarily related to real estate and will commence in various months in 2022 and 2023 with lease terms of 1 year to 15 years.

## Note 8 — Goodwill and Intangible Assets, net

Changes in goodwill by our reportable segments were as follows for the years ended December 31, 2021 and 2020:

Segment	January 1, 2021	Goodwill Additions and Adjustments	Foreign Currency Translation Adjustments	December 31, 2021
	(in millions)			
Financial Services	\$ 932	\$ 198	\$ (21)	\$ 1,109
Healthcare	2,755	84	(8)	2,831
Products and Resources	780	200	(13)	967
Communications, Media and Technology	564	156	(7)	713
Total goodwill	\$ 5,031	\$ 638	\$ (49)	\$ 5,620

Segment	January 1, 2020	Goodwill Additions and Adjustments	Foreign Currency Translation Adjustments	December 31, 2020
	(in millions)			
Financial Services	\$ 700	\$ 204	\$ 28	\$ 932
Healthcare	2,595	149	11	2,755
Products and Resources	417	346	17	780
Communications, Media and Technology	267	289	8	564
Total goodwill	\$ 3,979	\$ 988	\$ 64	\$ 5,031

Based on our most recent goodwill impairment assessment performed as of October 31, 2021, we concluded that the goodwill in each of our reporting units was not at risk of impairment. We have not recognized any impairment losses on our goodwill.

Components of intangible assets were as follows as of December 31:

(in millions)	2021			2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 1,679	\$ (610)	\$ 1,069	\$ 1,333	\$ (490)	\$ 843
Developed technology	385	(330)	55	388	(286)	102
Indefinite lived trademarks	72	—	72	72	—	72
Finite lived trademarks and other	81	(59)	22	80	(51)	29
Total intangible assets	\$ 2,217	\$ (999)	\$ 1,218	\$ 1,873	\$ (827)	\$ 1,046

Other than certain trademarks with indefinite lives, our intangible assets have finite lives and, as such, are subject to amortization. Amortization of intangible assets totaled \$182 million for 2021, \$152 million for 2020 and \$162 million for 2019.

The following table provides the estimated amortization expense related to our existing intangible assets for the next five years.

(in millions)	Estimated Amortization
2022	\$ 186
2023	144
2024	139
2025	136
2026	132

## Note 9 — Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities were as follows as of December 31:

(in millions)	2021	2020
Compensation and benefits	\$ 1,601	\$ 1,607
Customer volume and other incentives	242	266
Income taxes	74	34
Professional fees	220	143
Other	395	469
Total accrued expenses and other current liabilities	\$ 2,532	\$ 2,519

## Note 10 — Debt

In 2018, we entered into a Credit Agreement providing for a \$750 million Term Loan and a \$1,750 million unsecured revolving credit facility, which are due to mature in November 2023. We are required under the Credit Agreement to make scheduled quarterly principal payments on the Term Loan.

The Credit Agreement requires interest to be paid, at our option, at either the ABR, the Eurocurrency Rate or the Daily Simple RFR (each as defined in the Credit Agreement), plus, in each case, an Applicable Margin (as defined in the Credit Agreement). Initially, the Applicable Margin is 0.875% with respect to Eurocurrency Rate and Daily Simple RFR and 0.00% with respect to ABR loans. Subsequently, the Applicable Margin with respect to Eurocurrency Rate and Daily Simple RFR may range from 0.75% to 1.125%, depending on our public debt ratings (or, if we have not received public debt ratings, from 0.875% to 1.125%, depending on our Leverage Ratio, which is the ratio of indebtedness for borrowed money to Consolidated EBITDA, as defined in the Credit Agreement). The Term Loan is a Eurocurrency loan. As the interest rates on our Term Loan and any notes outstanding under the revolving credit facility are variable, the fair value of our debt balances approximates their carrying value as of December 31, 2021 and 2020. Under the Credit Agreement, we are required to pay commitment fees on the unused portion of the revolving credit facility, which vary based on our public debt ratings (or, if we have not received public debt ratings, on the Leverage Ratio).

The Credit Agreement contains customary affirmative and negative covenants as well as a financial covenant. The financial covenant is tested at the end of each fiscal quarter and requires us to maintain a Leverage Ratio, which is the ratio of indebtedness for borrowed money to Consolidated EBITDA, as defined in the Credit Agreement, not in excess of 3.50 to 1.00, or for a period of up to four quarters following certain material acquisitions, 3.75 to 1.00. We were in compliance with all debt covenants and representations of the Credit Agreement as of December 31, 2021.

In February 2021, our India subsidiary renewed its 13 billion Indian rupee (\$175 million at the December 31, 2021 exchange rate) working capital facility, which requires us to repay any balances within 90 days from the date of disbursement. There is a 1.0% prepayment penalty applicable to payments made within 30 days of disbursement. This working capital facility contains affirmative and negative covenants and may be renewed annually in February. As of December 31, 2021, we have not borrowed funds under this facility.

### Short-term Debt

As of both December 31, 2021 and December 31, 2020, we had \$38 million of short-term debt related to current maturities of our Term Loan, with a weighted average interest rate of 1.0% in both periods.

## Long-term Debt

The following summarizes our long-term debt balances as of December 31:

(in millions)	2021		2020	
Term Loan	\$	666	\$	703
Less:				
Current maturities		(38)		(38)
Deferred financing costs		(2)		(2)
Long-term debt, net of current maturities	\$	626	\$	663

The following represents the schedule of maturities of our term loan:

Year	Amounts (in millions)
2022	\$ 38
2023	628
Total	\$ 666

## Note 11 — Income Taxes

Income before provision for income taxes shown below is based on the geographic location to which such income was attributed for years ended December 31:

(in millions)	2021		2020		2019	
United States	\$	818	\$	814	\$	931
Foreign		2,009		1,282		1,612
Income before provision for income taxes	\$	2,827	\$	2,096	\$	2,543

The provision for income taxes consisted of the following components for the years ended December 31:

(in millions)	2021		2020		2019	
Current:						
Federal and state	\$	210	\$	137	\$	549
Foreign		456		383		400
Total current provision		666		520		949
Deferred:						
Federal and state		(50)		(77)		(320)
Foreign		77		261		14
Total deferred provision (benefit)		27		184		(306)
Total provision for income taxes	\$	693	\$	704	\$	643

In the third quarter of 2020, we reversed our indefinite reinvestment assertion on Indian earnings accumulated in prior years and recorded a \$140 million Tax on Accumulated Indian Earnings. The recorded income tax expense reflects the India withholding tax on unrepatriated Indian earnings, which were \$5.2 billion as of December 31, 2019, net of applicable U.S. foreign tax credits.

We are involved in two separate ongoing disputes with the ITD in connection with previously disclosed share repurchase transactions undertaken by CTS India in 2013 and 2016 to repurchase shares from its shareholders (non-Indian Cognizant entities) valued at \$523 million and \$2.8 billion, respectively.

The 2016 transaction was undertaken pursuant to a plan approved by the High Court in Chennai, India, and resulted in the payment of \$135 million in Indian income taxes - an amount we believe includes all the applicable taxes owed for this transaction under Indian law. In March 2018, the ITD asserted that it is owed an additional 33 billion Indian rupees (\$443 million at the December 31, 2021 exchange rate) on the 2016 transaction. We deposited 5 billion Indian rupees, representing 15% of the disputed tax amount related to the 2016 transaction, with the ITD. As of December 31, 2021 and 2020, the deposit

with the ITD was \$67 million and \$68 million, respectively, presented in "Other noncurrent assets" in our consolidated statements of financial position. Additionally, certain time deposits of CTS India were placed under lien in favor of the ITD, representing the remainder of the disputed tax amount. As of December 31, 2021 and 2020, the balance of deposits under lien was 30 billion Indian rupees, including previously earned interest, or \$397 million and \$405 million, respectively, as presented in "Long-term investments" in our consolidated statements of financial position.

We are currently in litigation with the ITD on the 2016 share repurchase transaction dispute. More recently, in April 2020, we received a formal assessment from the ITD, which is consistent with its previous assertions regarding our 2016 transaction. In June 2020, we filed an appeal against this assessment. The dispute in relation to the 2013 share repurchase transaction is also in litigation. At this time, the ITD has not made specific demands with regards to the 2013 share repurchase transaction.

We believe we have paid all applicable taxes owed on both the 2016 and the 2013 transactions. Accordingly, we have not recorded any reserves for these matters as of December 31, 2021.

The reconciliation between the U.S. federal statutory rate and our effective income tax rate were as follows for the years ended December 31:

(Dollars in millions)	2021	%	2020	%	2019	%
Tax expense, at U.S. federal statutory rate	\$ 594	21.0	\$ 440	21.0	\$ 534	21.0
State and local income taxes, net of federal benefit	50	1.8	52	2.5	59	2.3
Non-taxable income for Indian tax purposes	(36)	(1.3)	(48)	(2.3)	(90)	(3.5)
Rate differential on foreign earnings	137	4.8	178	8.5	145	5.7
Net impact related to the India Tax Law	—	—	—	—	21	0.8
Recognition of benefits related to uncertain tax positions	(14)	(0.5)	—	—	—	—
Credits and other incentives	(42)	(1.5)	(51)	(2.4)	(57)	(2.2)
Reversal of indefinite reinvestment assertion	—	—	140	6.6	—	—
Other	4	0.2	(7)	(0.3)	31	1.2
<b>Total provision for income taxes</b>	<b>\$ 693</b>	<b>24.5</b>	<b>\$ 704</b>	<b>33.6</b>	<b>\$ 643</b>	<b>25.3</b>

The significant components of deferred income tax assets and liabilities recorded on the consolidated statements of financial position were as follows as of December 31:

(in millions)	2021	2020
Deferred income tax assets:		
Net operating losses	\$ 52	\$ 36
Revenue recognition	116	41
Compensation and benefits	230	259
MAT and credit carryforwards	27	109
Expenses not currently deductible	121	147
	546	592
Less: valuation allowance	(46)	(29)
Deferred income tax assets, net	500	563
Deferred income tax liabilities:		
Depreciation and amortization	202	198
Deferred costs	84	105
Other	28	21
Deferred income tax liabilities	314	324
Net deferred income tax assets	\$ 186	\$ 239

At December 31, 2021, we had foreign and U.S. net operating loss carryforwards of approximately \$117 million and \$114 million, respectively. We have recorded valuation allowances on certain net operating loss carryforwards. As of December 31,

2021 and 2020, deferred income tax assets related to the MAT carryforwards were \$16 million and \$98 million, respectively. The calculation of the MAT includes all profits realized by our Indian subsidiaries and any MAT paid is creditable against future corporate income tax, subject to certain limitations.

Our Indian subsidiaries are primarily export-oriented and are eligible for certain income tax holiday benefits granted by the government of India for export activities conducted within SEZs for periods of up to 15 years. Our SEZ income tax holiday benefits are currently scheduled to expire in whole or in part through the year 2028 and may be extended on a limited basis for an additional five years per unit if certain reinvestment criteria are met. Our Indian profits ineligible for SEZ benefits are subject to corporate income tax at the rate of 34.94%. In addition, all Indian profits, including those generated within SEZs, are subject to the MAT. The current rate of MAT is 17.47%. For the years ended December 31, 2021, 2020 and 2019, the effect of the income tax holidays granted by the Indian government was to reduce the overall income tax provision and increase net income by \$36 million, \$48 million and \$90 million, respectively, and increase diluted EPS by \$0.07, \$0.09 and \$0.16, respectively.

In December 2019, the Government of India enacted the India Tax Law effective retroactively to April 1, 2019 that enables Indian companies to elect to be taxed at a lower income tax rate of 25.17%, as compared to the current income tax rate of 34.94%. Once a company elects into the lower income tax rate, a company may not benefit from any tax holidays associated with SEZs and certain other tax incentives, including MAT carryforwards, and may not reverse its election. While our existing MAT carryforwards expire between March 2027 and March 2032, we expect to fully or substantially utilize our existing MAT carryforwards prior to the start of the new India fiscal year on April 1, 2022. Our current intent is to elect into the new tax regime once our MAT carryforwards are fully or substantially utilized. As a result of the enactment of the India Tax Law, we recorded a one-time net income tax expense of \$21 million in 2019, due to the revaluation to the lower income tax rate of our India net deferred income tax assets that are expected to reverse after we expect to elect into the new tax regime.

We conduct business globally and file income tax returns in the United States, including federal and state, as well as various foreign jurisdictions. In 2021, we reached an agreement with the IRS, which settled tax years 2012 through 2016. As a result of this settlement, in the first quarter of 2021, we recorded a \$14 million discrete benefit to the provision for income taxes. Tax years that remain subject to examination by the IRS are 2017 and onward, and years that remain subject to examination by state authorities vary by state. Years under examination by foreign tax authorities are 2001 and onward. In addition, transactions between our affiliated entities are arranged in accordance with applicable transfer pricing laws, regulations and relevant guidelines. As a result, and due to the interpretive nature of certain aspects of these laws and guidelines, we have pending applications for APAs before the taxing authorities in some of our most significant jurisdictions.

We record incremental tax expense, based upon the more-likely-than-not standard, for any uncertain tax positions. In addition, when applicable, we adjust the previously recorded income tax expense to reflect examination results when the position is effectively settled or otherwise resolved. Our ongoing evaluations of the more-likely-than-not outcomes of the examinations and related tax positions require judgment and can result in adjustments that increase or decrease our effective income tax rate, as well as impact our operating results. The specific timing of when the resolution of each tax position will be reached is uncertain.

Changes in unrecognized income tax benefits were as follows for the years ended December 31:

(in millions)	2021	2020	2019
Balance, beginning of year	\$ 193	\$ 152	\$ 117
Additions based on tax positions related to the current year	34	28	22
Additions for tax positions of prior years	16	10	14
Additions for tax positions of acquired subsidiaries	12	3	—
Reductions for tax positions due to lapse of statutes of limitations	(17)	—	—
Reductions for tax positions of prior years	—	—	(1)
Settlements	(43)	—	—
Foreign currency exchange movement	(1)	—	—
<b>Balance, end of year</b>	<b>\$ 194</b>	<b>\$ 193</b>	<b>\$ 152</b>

The unrecognized income tax benefits would affect our effective income tax rate, if recognized. While the Company believes uncertain tax positions may be settled or resolved within the next twelve months, it is difficult to estimate the income tax impact of these potential resolutions at this time. We recognize accrued interest and any penalties associated with uncertain tax positions as part of our provision for income taxes. The total amount of accrued interest and penalties at December 31, 2021 and 2020 was \$30 million and \$22 million, respectively, and relates to U.S. and foreign tax matters. The amounts of interest and penalties recorded in the provision for income taxes in 2021, 2020 and 2019 were immaterial.

## Note 12 — Derivative Financial Instruments

In the normal course of business, we use foreign exchange forward and option contracts to manage foreign currency exchange rate risk. Derivatives may give rise to credit risk from the possible non-performance by counterparties. Credit risk is limited to the fair value of those contracts that are favorable to us. We have limited our credit risk by limiting the amount of credit exposure with any one financial institution and conducting ongoing evaluation of the creditworthiness of the financial institutions with which we do business. In addition, all the assets and liabilities related to our foreign exchange derivative contracts set forth in the below table are subject to master netting arrangements, such as the International Swaps and Derivatives Association Master Agreement, with each individual counterparty. These master netting arrangements generally provide for net settlement of all outstanding contracts with the counterparty in the case of an event of default or a termination event. We have presented all the assets and liabilities related to our foreign exchange derivative contracts, as applicable, on a gross basis, with no offsets, in our consolidated statements of financial position. There is no financial collateral (including cash collateral) posted or received by us related to our foreign exchange derivative contracts.

The following table provides information on the location and fair values of derivative financial instruments included in our consolidated statements of financial position as of December 31:

(in millions)		2021		2020	
Designation of Derivatives	Location on Statement of Financial Position	Assets	Liabilities	Assets	Liabilities
Foreign exchange forward and option contracts – Designated as cash flow hedging instruments	Other current assets	\$ 51	\$ —	\$ 45	\$ —
	Other noncurrent assets	15	—	26	—
	Total	66	—	71	—
Foreign exchange forward contracts - Not designated as cash flow hedging instruments	Other current assets	3	—	1	—
	Accrued expenses and other current liabilities	—	7	—	1
	Total	3	7	1	1
<b>Total</b>		<b>\$ 69</b>	<b>\$ 7</b>	<b>\$ 72</b>	<b>\$ 1</b>

### Cash Flow Hedges

We have entered into a series of foreign exchange derivative contracts that are designated as cash flow hedges of Indian rupee denominated payments in India. These contracts are intended to partially offset the impact of movement of the Indian rupee against the U.S. dollar on future operating costs and are scheduled to mature each month during 2022 and 2023. The changes in fair value of these contracts are initially reported in "Accumulated other comprehensive income (loss)" in our consolidated statements of financial position and are subsequently reclassified to earnings within "Cost of revenues" and "Selling, general and administrative expenses" in our consolidated statements of operations in the same period that the forecasted Indian rupee denominated payments are recorded in earnings. As of December 31, 2021, we estimate that \$45 million, net of tax, of the net gains related to derivatives designated as cash flow hedges reported in the caption "Accumulated other comprehensive income (loss)" in our consolidated statements of financial position is expected to be reclassified into earnings within the next 12 months.

The notional value of our outstanding contracts by year of maturity was as follows as of December 31:

(in millions)	2021		2020	
2021	\$	—	\$	1,470
2022		1,643		803
2023		880		—
<b>Total notional value of contracts outstanding <sup>(1)</sup></b>	<b>\$</b>	<b>2,523</b>	<b>\$</b>	<b>2,273</b>

(1) Includes \$78 million and \$133 million notional value of option contracts as of December 31, 2021 and 2020, with the remaining notional value related to forward contracts.

The following table provides information on the location and amounts of pre-tax gains on our cash flow hedges for the year ended December 31:

(in millions)	Change in Derivative Gains Recognized in Accumulated Other Comprehensive Income (Loss) (effective portion)		Location of Net Derivative Gains Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (effective portion)	Net Gains Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (effective portion)	
	2021	2020		2021	2020
Foreign exchange forward and option contracts – Designated as cash flow hedging instruments	\$ 67	\$ 39	Cost of revenues	\$ 55	\$ 3
			Selling, general and administrative expenses	8	—
			Total	\$ 63	\$ 3

The activity related to the change in net unrealized gains on our cash flow hedges included in "Accumulated other comprehensive income (loss)" in our consolidated statements of stockholders' equity is presented in [Note 14](#).

## Other Derivatives

We use foreign exchange forward contracts to provide an economic hedge against balance sheet exposures to certain monetary assets and liabilities denominated in currencies other than the functional currency of our foreign subsidiaries. We entered into foreign exchange forward contracts that are scheduled to mature in 2022. Realized gains or losses and changes in the estimated fair value of these derivative financial instruments are recorded in the caption "Foreign currency exchange gains (losses), net" in our consolidated statements of operations.

Additional information related to our outstanding foreign exchange forward contracts not designated as hedging instruments was as follows as of December 31:

(in millions)	2021		2020	
	Notional	Fair Value	Notional	Fair Value
Contracts outstanding	\$ 847	\$ (4)	\$ 637	\$ —

The following table provides information on the location and amounts of realized and unrealized pre-tax gains (losses) on our other derivative financial instruments for the year ended December 31:

(in millions)	Location of Net Gains (Losses) on Derivative Instruments	Amount of Net Gains (Losses) on Derivative Instruments	
		2021	2020
Foreign exchange forward contracts - Not designated as hedging instruments	Foreign currency exchange gains (losses), net	\$ 13	\$ (63)

The related cash flow impacts of all of our derivative activities are reflected as cash flows from operating activities.

## Note 13 — Fair Value Measurements

We measure our cash equivalents, certain investments, contingent consideration liabilities and foreign exchange forward and option contracts at fair value. Fair value is the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based on their own market assumptions.

The fair value hierarchy consists of the following three levels:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3 – Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following table summarizes our financial assets and (liabilities) measured at fair value on a recurring basis as of December 31, 2021:

(in millions)	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	\$ 507	\$ —	\$ —	\$ 507
Time deposits	—	4	—	4
Commercial paper	—	266	—	266
Short-term investments:				
Time deposits	—	554	—	554
Equity investment security	26	—	—	26
Available-for-sale investment securities:				
Commercial paper	—	310	—	310
Other current assets				
Foreign exchange forward and option contracts	—	54	—	54
Long-term investments:				
Restricted time deposits <sup>(1)</sup>	—	397	—	397
Other noncurrent assets				
Foreign exchange forward contracts	—	15	—	15
Accrued expenses and other current liabilities:				
Foreign exchange forward contracts	—	(7)	—	(7)
Contingent consideration liabilities	—	—	(14)	(14)
Other noncurrent liabilities				
Contingent consideration liabilities	—	—	(21)	(21)

(1) See [Note 11](#).

The following table summarizes our financial assets and (liabilities) measured at fair value on a recurring basis as of December 31, 2020:

(in millions)	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	\$ 209	\$ —	\$ —	\$ 209
Time Deposits	—	203	—	203
Commercial Paper	—	200	—	200
Short-term investments:				
Time deposits	—	3	—	3
Equity investment security	27	—	—	27
Other current assets:				
Foreign exchange forward and option contracts	—	46	—	46
Long-term investments				
Restricted time deposits <sup>(1)</sup>	—	405	—	405
Other noncurrent assets:				
Foreign exchange forward and option contracts	—	26	—	26
Accrued expenses and other current liabilities:				
Foreign exchange forward contracts	—	(1)	—	(1)
Contingent consideration liabilities	—	—	(11)	(11)
Other noncurrent liabilities:				
Contingent consideration liabilities	—	—	(43)	(43)

(1) See [Note 11](#)

The following table summarizes the changes in Level 3 contingent consideration liabilities:

(in millions)	2021	2020
Beginning balance	\$ 54	\$ 38
Initial measurement recognized at acquisition	24	42
Change in fair value recognized in SG&A expenses	(30)	(23)
Payments and other adjustments	(13)	(3)
Ending balance	\$ 35	\$ 54

We measure the fair value of money market funds based on quoted prices in active markets for identical assets and measure the fair value of our equity security based on the published daily net asset value at which investors can freely subscribe to or redeem from the fund. The fair value of commercial paper is measured based on relevant trade data, dealer quotes, or model-driven valuations using significant inputs derived from or corroborated by observable market data, such as yield curves and credit spreads. The carrying value of the time deposits approximated fair value as of December 31, 2021 and 2020.

We estimate the fair value of each foreign exchange forward contract by using a present value of expected cash flows model. This model calculates the difference between the current market forward price and the contracted forward price for each foreign exchange contract and applies the difference in the rates to each outstanding contract. The market forward rates include a discount and credit risk factor. We estimate the fair value of each foreign exchange option contract by using a variant of the Black-Scholes model. This model uses present value techniques and reflects the time value and intrinsic value based on observable market rates.

We estimate the fair value of our contingent consideration liabilities associated with our acquisitions using a variation of the income approach, which utilizes one or more significant inputs that are unobservable. This approach calculates the fair value of such liabilities based on the probability-weighted expected performance of the acquired entity against the target performance metric, discounted to present value when appropriate.

During the years ended December 31, 2021, 2020 and 2019 there were no transfers among Level 1, Level 2 or Level 3 financial assets and liabilities.

**Note 14 — Accumulated Other Comprehensive Income (Loss)**

Changes in "Accumulated other comprehensive income (loss)" by component were as follows for the year ended December 31, 2021:

(in millions)	2021		
	Before Tax Amount	Tax Effect	Net of Tax Amount
Foreign currency translation adjustments:			
Beginning balance	\$ 56	\$ (1)	\$ 55
Change in foreign currency translation adjustments	(78)	3	(75)
Ending balance	\$ (22)	\$ 2	\$ (20)
Unrealized gains on cash flow hedges:			
Beginning balance	\$ 67	\$ (12)	\$ 55
Unrealized gains arising during the period	67	(13)	54
Reclassifications of net (gains) to:			
Cost of revenues	(55)	10	(45)
SG&A expenses	(8)	1	(7)
Net change	4	(2)	2
Ending balance	\$ 71	\$ (14)	\$ 57
Accumulated other comprehensive income (loss):			
Beginning balance	\$ 123	\$ (13)	\$ 110
Other comprehensive income (loss)	(74)	1	(73)
Ending balance	\$ 49	\$ (12)	\$ 37

Changes in "Accumulated other comprehensive income (loss)" by component were as follows for the years ended December 31, 2020 and 2019:

(in millions)	2020			2019		
	Before Tax Amount	Tax Effect	Net of Tax Amount	Before Tax Amount	Tax Effect	Net of Tax Amount
<b>Foreign currency translation adjustments:</b>						
Beginning balance	\$ (63)	\$ (1)	\$ (64)	\$ (108)	\$ 5	\$ (103)
Change in foreign currency translation adjustments	119	—	119	45	(6)	39
Ending balance	\$ 56	\$ (1)	\$ 55	\$ (63)	\$ (1)	\$ (64)
<b>Unrealized (losses) on available-for-sale investment securities:</b>						
Beginning balance	\$ —	\$ —	\$ —	\$ (12)	\$ 4	\$ (8)
Net unrealized gains arising during the period	—	—	—	13	(4)	9
Reclassification of net (gains) to Other, net	—	—	—	(1)	—	(1)
Net change	—	—	—	12	(4)	8
Ending balance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Unrealized gains (losses) on cash flow hedges:</b>						
Beginning balance	\$ 31	\$ (5)	\$ 26	\$ (4)	\$ 1	\$ (3)
Unrealized gains arising during the period	39	(8)	31	39	(7)	32
Reclassifications of net (gains) to:						
Cost of revenues	(3)	1	(2)	(3)	1	(2)
SG&A expenses	—	—	—	(1)	—	(1)
Net change	36	(7)	29	35	(6)	29
Ending balance	\$ 67	\$ (12)	\$ 55	\$ 31	\$ (5)	\$ 26
<b>Accumulated other comprehensive income (loss):</b>						
Beginning balance	\$ (32)	\$ (6)	\$ (38)	\$ (124)	\$ 10	\$ (114)
Other comprehensive income (loss)	155	(7)	148	92	(16)	76
Ending balance	\$ 123	\$ (13)	\$ 110	\$ (32)	\$ (6)	\$ (38)

## Note 15 — Commitments and Contingencies

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We are involved in various claims and legal proceedings arising in the ordinary course of business. We accrue a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, we do not record a liability, but instead disclose the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred. While we do not expect that the ultimate resolution of any existing claims and proceedings (other than the specific matters described below, if decided adversely), individually or in the aggregate, will have a material adverse effect on our financial position, an unfavorable outcome in some or all of these proceedings could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on our current understanding of relevant facts and circumstances. As such, our view of these matters is subject to inherent uncertainties and may change in the future.

On January 15, 2015, Syntel sued TriZetto and Cognizant in the USDC-SDNY. Syntel's complaint alleged breach of contract against TriZetto, and tortious interference and misappropriation of trade secrets against Cognizant and TriZetto, stemming from Cognizant's hiring of certain former Syntel employees. Cognizant and TriZetto countersued on March 23, 2015, for breach of contract, misappropriation of trade secrets and tortious interference, based on Syntel's misuse of TriZetto confidential information and abandonment of contractual obligations. Cognizant and TriZetto subsequently added federal Defend Trade Secrets Act and copyright infringement claims for Syntel's misuse of TriZetto's proprietary technology. The parties' claims were narrowed by the court and the case was tried before a jury, which on October 27, 2020, returned a verdict in favor of Cognizant in the amount of \$855 million, including \$570 million in punitive damages. On April 20, 2021, the USDC-SDNY issued a post-trial order that, among other things, affirmed the jury's award of \$285 million in actual damages, but reduced the award of punitive damages from \$570 million to \$285 million, thereby reducing the overall damages award from \$855 million to \$570 million. The USDC-SDNY subsequently issued a final judgment consistent with the April 20<sup>th</sup> order. On May 26, 2021, Syntel filed a notice of appeal to the Second Circuit, and on June 3, 2021 the USDC-SDNY stayed execution of judgment pending appeal. The appeal is pending before the Second Circuit. We will not record the gain in our financial statements until it becomes realizable.

On February 28, 2019, a ruling of the SCI interpreting the India Defined Contribution Obligation altered historical understandings of the obligation, extending it to cover additional portions of the employee's income. As a result, the ongoing contributions of our affected employees and the Company were required to be increased. In the first quarter of 2019, we accrued \$117 million with respect to prior periods, assuming retroactive application of the Supreme Court's ruling, in "Selling, general and administrative expenses" in our consolidated statement of operations. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. Since the ruling, a variety of trade associations and industry groups have advocated to the Indian government, highlighting the harm to the information technology sector, other industries and job growth in India that would result from a retroactive application of the ruling. It is possible the Indian government will review the matter and there is a substantial question as to whether the Indian government will apply the SCI's ruling on a retroactive basis. As such, the ultimate amount of our obligation may be materially different from the amount accrued.

On October 5, 2016, October 27, 2016 and November 18, 2016, three putative securities class action complaints were filed in the USDC-NJ naming us and certain of our current and former officers at that time as defendants. These complaints were consolidated into a single action and on April 7, 2017, the lead plaintiffs filed a consolidated amended complaint on behalf of a putative class of persons and entities who purchased our common stock during the period between February 27, 2015 and September 29, 2016, naming us and certain of our current and former officers at that time as defendants and alleging violations of the Exchange Act, based on allegedly false or misleading statements related to potential violations of the Foreign Corrupt Practices Act, our business, prospects and operations, and the effectiveness of our internal controls over financial reporting and our disclosure controls and procedures. The lead plaintiffs sought an award of compensatory damages, among other relief, and their reasonable costs and expenses, including attorneys' fees. Defendants filed motions to dismiss the consolidated amended complaint on June 6, 2017. On August 8, 2018, the USDC-NJ issued an order which granted the motions to dismiss in part, including dismissal of all claims against then-current officers of the Company, and denied them in part. On September 7, 2018, we filed a motion in the USDC-NJ to certify the August 8, 2018 order for immediate appeal to the United States Court of Appeals for the Third Circuit pursuant to 28 U.S.C. § 1292(b). On October 18, 2018, the USDC-NJ issued an order granting our motion, and staying the action pending the outcome of our appeal petition to the Third Circuit. On October 29, 2018, we filed a petition for permission to appeal with the Third Circuit. On March 6, 2019, the Third Circuit denied our petition without prejudice. In an order dated March 19, 2019, the USDC-NJ directed the lead plaintiffs to provide the defendants with a proposed amended complaint. On April 26, 2019, lead plaintiffs filed their second amended complaint. We filed a motion to dismiss the second amended complaint on June 10, 2019. On June 7, 2020, the USDC-NJ issued an order denying our motion to

dismiss the second amended complaint. On July 10, 2020, we filed our answer to the second amended complaint. On July 23, 2020, the DOJ filed a motion on consent for leave to intervene and to stay all discovery through the conclusion of the criminal proceedings in *United States v. Gordon J. Coburn and Steven Schwartz*, Crim. No. 19-120 (KM), except for documents produced by us to the DOJ in connection with those criminal proceedings. On July 24, 2020, the USDC-NJ granted the DOJ's motion; and on that same day, we filed a motion in the USDC-NJ to certify the June 7, 2020 order for immediate appeal to the Third Circuit pursuant to 28 U.S.C. § 1292(b). On March 17, 2021, the USDC-NJ issued an order denying our motion.

On September 7, 2021, the parties filed a settlement agreement that resolved the consolidated putative securities class action against us and certain of our former officers. The settlement agreement provides for a payment of \$95 million to the putative class (inclusive of attorneys' fees and litigation expenses). Adjusting for indemnification expenses, legal fees and other covered expenses incurred through September 7, 2021, the remaining available balance under the applicable directors and officers insurance policies was \$75 million. As a result, we recorded a loss of \$20 million in "Selling, general and administrative expenses" in our consolidated financial statements. The loss is referred to as the Class Action Settlement Loss. We and the other defendants entered into the settlement agreement to eliminate the uncertainty, burden, and expense of further protracted litigation. We and the other defendants expressly deny that the plaintiffs in the consolidated putative securities class action have asserted any valid claims as to us and them, respectively. On September 9, 2021, the USDC-NJ granted preliminary approval of the settlement. On December 21, 2021, the USDC-NJ granted final approval of the settlement and entered a judgment dismissing the consolidated putative securities class action with prejudice. The deadline to appeal the judgement was January 20, 2022, and no appeals were filed before that date.

On October 31, 2016, November 15, 2016 and November 18, 2016, three putative shareholder derivative complaints were filed in New Jersey Superior Court, Bergen County, naming us, all of our then current directors and certain of our current and former officers at that time as defendants. These actions were consolidated in an order dated January 24, 2017. The complaints assert claims for breach of fiduciary duty, corporate waste, unjust enrichment, abuse of control, mismanagement, and/or insider selling by defendants. On March 16, 2017, the parties filed a stipulation deferring all further proceedings pending a final, non-appealable ruling on the then-anticipated motion to dismiss the consolidated putative securities class action. On April 26, 2017, in lieu of ordering the stipulation filed by the parties, the New Jersey Superior Court deferred further proceedings by dismissing the consolidated putative shareholder derivative litigation without prejudice but permitting the parties to file a motion to vacate the dismissal in the future.

On February 22, 2017, April 7, 2017 and May 10, 2017, three additional putative shareholder derivative complaints alleging similar claims were filed in the USDC-NJ, naming us and certain of our current and former directors and officers at that time as defendants. These complaints asserted claims similar to those in the previously-filed putative shareholder derivative actions. In an order dated June 20, 2017, the USDC-NJ consolidated these actions into a single action, appointed lead plaintiff and lead counsel, and stayed all further proceedings pending a final, non-appealable ruling on the motions to dismiss the consolidated putative securities class action. On October 30, 2018, lead plaintiff filed a consolidated verified derivative complaint.

On March 11, 2019, a seventh putative shareholder derivative complaint was filed in the USDC-NJ, naming us and certain of our current and former directors and officers at that time as defendants. The complaint in that action asserts claims similar to those in the previously-filed putative shareholder derivative actions. On May 14, 2019, the USDC-NJ approved a stipulation that (i) consolidated this action with the putative shareholder derivative suits that were previously filed in the USDC-NJ; and (ii) stayed all of these suits pending an order on the motion to dismiss the second amended complaint in the consolidated putative securities class action. On August 3, 2020, lead plaintiffs filed an amended complaint. The USDC-NJ extended the stay through February 14, 2022. On February 14, 2022, we and certain of our current and former directors and officers moved to dismiss the amended complaint.

On June 1, 2021, an eighth putative shareholder derivative complaint was filed in the USDC-NJ, naming us and certain of our current and former directors and officers at that time as defendants. The complaint asserts claims similar to those in the previously-filed putative shareholder derivative actions. On August 2, 2021, the USDC-NJ approved a stipulation that stayed this action through the earliest of (i) the conclusion of the criminal proceedings in *United States v. Gordon J. Coburn and Steven Schwartz*, Crim. No. 19-120 (KM), (ii) the dissolution of the stay in the consolidated putative securities class action, provided that the dissolution of the stay in the consolidated putative securities class action is not the result of a settlement agreement or other mutual resolution of the consolidated putative securities class action, or (iii) the dissolution of the stay in the consolidated putative shareholder derivative action pending in USDC-NJ, provided that we are required to answer, move to dismiss, or otherwise respond to the operative complaint in that action following the dissolution of the stay. The stay ended on February 14, 2022, and the litigation is ongoing.

We are presently unable to predict the duration, scope or result of the putative shareholder derivative actions. These lawsuits are subject to inherent uncertainties, the actual cost of such litigation will depend upon many unknown factors and the outcome of the litigation is necessarily uncertain.

We have indemnification and expense advancement obligations pursuant to our bylaws and indemnification agreements with respect to certain current and former members of senior management and the Company's board of directors. In connection with the matters that were the subject of our previously disclosed internal investigation, the DOJ and SEC investigations and the related litigation, we have received and expect to continue to receive requests under such indemnification agreements and our bylaws to provide funds for legal fees and other expenses. As of the filing of the settlement agreement on September 7, 2021, there are no amounts remaining available to us under applicable insurance policies for our ongoing indemnification and advancement obligations with respect to certain of our current and former officers and directors or incremental legal fees and other expenses related to the above matters.

See [Note 11](#) for information relating to the ITD Dispute.

Many of our engagements involve projects that are critical to the operations of our clients' business and provide benefits that are difficult to quantify. Any failure in a client's systems or our failure to meet our contractual obligations to our clients, including any breach involving a client's confidential information or sensitive data, or our obligations under applicable laws or regulations could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Although we attempt to contractually limit our liability for damages arising from negligent acts, errors, mistakes, or omissions in rendering our services, there can be no assurance that the limitations of liability set forth in our contracts will be enforceable in all instances or will otherwise protect us from liability for damages. Although we have general liability insurance coverage, including coverage for errors or omissions, we retain a significant portion of risk through our insurance deductibles and there can be no assurance that such coverage will cover all types of claims, continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. The successful assertion of one or more large claims against us that exceed or are not covered by our insurance coverage or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, results of operations, financial position and cash flows for a particular period.

In the normal course of business and in conjunction with certain client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients or other parties with whom we conduct business with respect to certain matters. These arrangements can include provisions whereby we agree to hold the indemnified party and certain of their affiliated entities harmless with respect to third-party claims related to such matters as our breach of certain representations or covenants, our intellectual property infringement, our gross negligence or willful misconduct or certain other claims made against certain parties. Payments by us under any of these arrangements are generally conditioned on the client making a claim and providing us with full control over the defense and settlement of such claim. It is not possible to determine the maximum potential liability under these indemnification agreements due to the unique facts and circumstances involved in each particular agreement. Historically, we have not made material payments under these indemnification agreements and therefore they have not had a material impact on our operating results, financial position, or cash flows. However, if events arise requiring us to make payment for indemnification claims under our indemnification obligations in contracts we have entered, such payments could have a material adverse effect on our business, results of operations, financial position and cash flows for a particular period.

## **Note 16 — Employee Benefits**

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We contribute to defined contribution plans in the United States and Europe, including 401(k) savings and supplemental retirement plans in the United States. Total expenses for our contributions to these plans were \$135 million, \$118 million and \$117 million for the years ended December 31, 2021, 2020 and 2019, respectively.

We maintain employee benefit plans that cover substantially all India-based employees. The employees' provident fund, pension and family pension plans are statutorily defined contribution retirement benefit plans. Under the plans, employees contribute up to 12.0% of their eligible compensation, which is matched by an equal contribution by the Company. For these plans, we recognized a contribution expense of \$121 million, \$98 million and \$101 million for the years ended December 31, 2021, 2020 and 2019, respectively. On February 28, 2019, a ruling of the SCI altered historical understandings of the obligation under these plans, extending them to cover additional portions of the employee's income. In the first quarter of 2019, we accrued \$117 million with respect to prior periods, assuming retroactive application of the SCI's ruling, in "Selling, general and administrative expenses" in our consolidated statements of operations. See [Note 15](#) for further information.

We also maintain a gratuity plan in India that is a statutory post-employment benefit plan providing defined lump sum benefits. We make annual contributions to the employees' gratuity fund established with a government-owned insurance corporation to fund a portion of the estimated obligation. Accordingly, our liability for the gratuity plan reflected the undiscounted benefit obligation payable as of the balance sheet date, which was based upon the employees' salary and years of service. As of December 31, 2021 and 2020, the amount accrued under the gratuity plan was \$118 million and \$124 million, which is net of fund assets of \$212 million and \$186 million, respectively. Expense recognized by us was \$70 million, \$35 million and \$38 million for the years ended December 31, 2021, 2020 and 2019, respectively.

## Note 17 — Stock-Based Compensation Plans

The Company's 2017 Incentive Plan and the Purchase Plan provide for the issuance of up to 48.8 million (plus any shares underlying outstanding awards that are forfeited under the 2009 Incentive Plan) and 40.0 million shares, respectively, of Class A common stock to eligible employees. The 2017 Incentive Plan does not affect any awards outstanding under the 2009 Incentive Plan. As of December 31, 2021, we have 22.2 million and 3.9 million shares available for grant under the 2017 Incentive Plan and the Purchase Plan, respectively.

The allocation of total stock-based compensation expense between cost of revenues and selling, general and administrative expenses as well as the related income tax benefit were as follows for the three years ended December 31:

(in millions)	2021	2020	2019
Cost of revenues	\$ 49	\$ 51	\$ 54
SG&A expenses	197	181	163
Total stock-based compensation expense	\$ 246	\$ 232	\$ 217
Income tax benefit	\$ 59	\$ 48	\$ 39

## Restricted Stock Units and Performance Stock Units

We granted RSUs that vest proportionately in quarterly or annual installments over periods of up to three years to employees, including our executive officers. Stock-based compensation expense relating to RSUs is recognized on a straight-line basis over the requisite service period. A summary of the activity for RSUs granted under our stock-based compensation plans as of December 31, 2021 and changes during the year then ended is presented below:

	Number of Units (in millions)	Weighted Average Grant Date Fair Value (in dollars)
Unvested at January 1, 2021	4.4	\$ 64.09
Granted	3.5	74.66
Vested	(3.0)	67.50
Forfeited	(1.0)	67.23
Unvested at December 31, 2021	3.9	\$ 70.11

The weighted-average grant date fair value of RSUs granted in 2021, 2020 and 2019 was \$74.66, \$61.85 and \$64.12, respectively. As of December 31, 2021, \$233 million of total remaining unrecognized stock-based compensation cost related to RSUs is expected to be recognized over the weighted-average remaining requisite service period of 1.7 years.

We granted PSUs that vest over periods up to four years to employees, including our executive officers. The vesting of PSUs is contingent on meeting certain financial performance targets, market conditions and continued service. A summary of the activity for PSUs granted under our stock-based compensation plans as of December 31, 2021 and changes during the year then ended is presented below. The presentation reflects the number of PSUs at the maximum performance milestones.

	Number of Units (in millions)	Weighted Average Grant Date Fair Value (in dollars)
Unvested at January 1, 2021	1.7	\$ 62.60
Granted	1.2	73.38
Vested	—	—
Forfeited	(0.5)	67.11
Adjustment at the conclusion of the performance measurement period	(0.1)	61.83
Unvested at December 31, 2021	2.3	\$ 67.55

The weighted-average grant date fair value of PSUs granted in 2021, 2020 and 2019 was \$73.38, \$62.00 and \$70.77, respectively. As of December 31, 2021, \$41 million of the total remaining unrecognized stock-based compensation cost related to PSUs is expected to be recognized over the weighted-average remaining requisite service period of 1.6 years.

All RSUs and PSUs have dividend equivalent rights, which entitle holders to the same dividend value per share as holders of common stock. Dividend equivalent rights are subject to the same vesting and other terms and conditions as the corresponding unvested RSUs and PSUs and are accumulated and paid when the underlying shares vest.

The Purchase Plan provides for eligible employees to purchase shares of Class A common stock at a price of 90% of the lesser of: (a) the fair market value of

a share of Class A common stock on the first date of the purchase period or (b) the fair market value of a share of Class A common stock on the last date of the purchase period. In December 2021, we amended the Purchase Plan to modify the purchase price for eligible employees to be equal to 95% of the fair market value per share of our Class A common stock on the last date of the purchase period. This change is effective for the first purchase period in 2022.

Stock-based compensation expense for the Purchase Plan is recognized over the vesting period of three months on a straight-line basis.

The fair values of the options granted under the Purchase Plan, were estimated at the date of grant during the years ended December 31, 2021, 2020, and 2019 based upon the following assumptions and were as follows:

	2021		2020		2019	
Dividend yield	1.3	%	1.1	%	1.3	%
Weighted average volatility factor	27.5	%	35.9	%	24.9	%
Weighted average risk-free interest rate	0.03	%	0.6	%	2.2	%
Weighted average expected life (in years)	0.25		0.25		0.25	
Weighted average grant date fair value	\$	11.72	\$	9.38	\$	9.82

During the year ended December 31, 2021, we issued 2.0 million shares of Class A common stock under the Purchase Plan with a total fair value of approximately \$23 million.

## Note 18 — Segment Information

Our reportable segments are:

- Financial Services, which consists of our banking and insurance operating segments;
- Healthcare, which consists of our healthcare and life sciences operating segments;
- Products and Resources, which consists of our retail and consumer goods; manufacturing, logistics, energy, and utilities; and travel and hospitality operating segments; and
- Communications, Media and Technology, which includes our communications and media operating segment and our technology operating segment.

Our client partners, account executives and client relationship managers are aligned in accordance with the specific industries they serve. Our chief operating decision maker evaluates the Company's performance and allocates resources based on segment revenues and operating profit. Segment operating profit is defined as income from operations before unallocated costs. Generally, operating expenses for each operating segment have similar characteristics and are subject to the same factors, pressures and challenges. However, the economic environment and its effects on industries served by our operating segments may affect revenues and operating expenses to differing degrees.

Expenses included in segment operating profit consist principally of direct selling and delivery costs (including stock-based compensation expense) as well as a per employee charge for use of our global delivery centers and infrastructure. Certain SG&A expenses, the excess or shortfall of incentive-based compensation for commercial and delivery employees as compared to target, restructuring costs, the 2020 COVID-19 Charges, costs related to the ransomware attack, the 2019 incremental accrual related to the India Defined Contribution Obligation, a portion of depreciation and amortization and the impact of the settlements of our cash flow hedges are not allocated to individual segments in internal management reports used by the chief operating decision maker. Accordingly, such expenses are excluded from segment operating profit and are included below as “unallocated costs” and adjusted against our total income from operations in the table below. Additionally, management has determined that it is not practical to allocate identifiable assets by segment, since such assets are used interchangeably among the segments.

For revenues by reportable segment and geographic area see [Note 2](#).

Segment operating profits by reportable segment were as follows:

(in millions)	2021	2020	2019
Financial Services	\$ 1,740	\$ 1,449	\$ 1,605
Healthcare	1,551	1,383	1,261
Products and Resources	1,325	1,078	1,028
Communications, Media and Technology	941	794	732
Total segment operating profit	5,557	4,704	4,626
Less: unallocated costs	2,731	2,590	2,173
Income from operations	\$ 2,826	\$ 2,114	\$ 2,453

## Geographic Area Information

Long-lived assets by geographic area are as follows:

(in millions)	2021	2020	2019
Long-lived Assets: <sup>(1)</sup>			
North America <sup>(2)</sup>	\$ 377	\$ 399	\$ 445
Europe	75	88	104
Rest of World <sup>(3)</sup>	719	764	760
Total	\$ 1,171	\$ 1,251	\$ 1,309

(1) Long-lived assets include property and equipment, net of accumulated depreciation and amortization.

(2) Substantially all relates to the United States.

(3) Substantially all relates to India.

## Note 19 — Subsequent Events

### Dividend

On January 31, 2022, our Board of Directors approved the Company's declaration of a \$0.27 per share dividend with a record date of February 18, 2022 and a payment date of March 1, 2022.

**Cognizant Technology Solutions Corporation**  
**Valuation and Qualifying Accounts**  
**For the Years Ended December 31, 2021, 2020 and 2019**  
**(in millions)**

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions /Other	Balance at End of Period
			(in millions)		
Warranty accrual:					
2021	\$ 32	\$ 36	\$ 3	\$ 32	\$ 39
2020	\$ 33	\$ 32	\$ —	\$ 33	\$ 32
2019	\$ 32	\$ 33	\$ —	\$ 32	\$ 33
Valuation allowance—deferred income tax assets:					
2021	\$ 29	\$ 17	\$ —	\$ —	\$ 46
2020	\$ 24	\$ 5	\$ —	\$ —	\$ 29
2019	\$ 11	\$ 15	\$ —	\$ 2	\$ 24

**September 16, 2020**

Mr. Rajesh Nambiar  
FW-16, 04B, M3M Golf Estate Sector 65, Golf Course Extn Road  
Gurgaon 122102  
Harayana India

**Dear Rajesh,**

It was a great pleasure interacting with you over the last few weeks. Each member of our senior management team was impressed with your experience and expertise. We refer to our discussions with you and are pleased to offer you employment with Cognizant Technology Solutions India Private Limited (“Cognizant” or “Company”). Your appointment with us will be as **Chairman, Cognizant India**, a position of the Executive Vice President level within the overall organization of Cognizant Technology Solutions Corporation (“CTSC”) and its consolidated subsidiaries, and your place of posting will be **Gurgaon, India**.

Your targeted Annual Total Compensation (ATC) with Cognizant will be **INR. 73, 440, 000, consisting** of Annual Gross Compensation (AGC) of **INR. 36,720,000** and an Incentive Indication of **INR. 36,720,000**. The actual amount, if any, of incentive compensation you will be eligible to receive will depend on your performance and the performance of CTSC and its consolidated subsidiaries, including Cognizant. The other details about your compensation are presented in **Annexure A**.

Your appointment will be governed by the terms and conditions of employment presented in **Annexure B**

Subject to the approval of the Compensation Committee of the Board of Directors of CTSC, you will be granted awards of **RSUs** and **PSUs** as set out in **Annexure C**.

In addition to above mentioned components, you will also be eligible to receive a **sign on bonus** as per the terms and conditions set out in **Annexure D**.

We request you to join us on or before **November 1, 2020**.

Please note:

- This appointment is subject to satisfactory professional reference checks and satisfactory completion of CTSC's Directors & Officers Questionnaire.
- This offer is valid for 3 months only from the date of offer. Any extension in said validity shall be at the discretion of Cognizant and shall be communicated to you in writing.
- Prior to commencing employment with Cognizant, you must provide Cognizant with evidence of your right to work in India and other such documents as Cognizant may request.

We welcome you and look forward to a mutually rewarding association. Thanking you. Yours sincerely,

For Cognizant Technology Solutions India Private Limited.

/s/ Suresh Bethavandu

**Suresh Bethavandu**  
**Global Head – Talent Acquisition**

I have read the offer, understood and accept the above mentioned terms and conditions. Signature: /s/ Rajesh

Nambiar Date:

## Annexure A

**NAME:** Rajesh Nambiar **DESIGNATION:** Chairman, India and EVP

Sl. No.	Description	Monthly	Annual
1	Basic	1,071,000	12,852,000
2	HRA @60% of basic*	642,600	7,711,200
3	Medical Allowance*	1,250	15,000
4	Company's contribution of PF#	128,520	1,542,240
5	Special Allowance*	1,216,630	14,599,560
	<b>Annual Gross Compensation (AGC)</b>		36,720,000
	Incentive Indication (per annum)**		36,720,000
	<b>Annual Total Compensation (ATC)</b>		73,440,000
	Company's contribution toward benefits (Medical, Accident and Life Insurance)		33,000
	<b>Annual Total Remuneration</b>		<b>73,473,000</b>

As an associate you are also entitled to the following additional benefits:

- Floating Medical Insurance Coverage
- Round the Clock Group personal accident Insurance coverage
- Group Term Life Insurance Coverage
- Employees' compensation insurance benefit as per the Employees' Compensation Act, 2010
- Gratuity, on separation after 4 years and 240 calendar days of continuous service, payable as per Payment of Gratuity Act
- Women associates joining Cognizant will be entitled to Maternity leave as per the Maternity Benefit (Amendment) Act, 2017

### Provident Fund Wages

•For the purpose of computing contribution to Provident Fund, Pension Fund & EDLI Scheme, "Monthly Gross Salary" as per Annexure A of this letter excluding "Advance Statutory Bonus" & "House Rent Allowance" will be considered. This does not include payments made through "Special Payout".

•Determination of PF Wages for the purpose of contribution: PF contribution shall be payable on the earned PF wages or PF wages as per this letter, whichever is lesser.

\* **Flexible Benefit Plan:** Your compensation has been structured to ensure that you are adequately empowered to apportion components of your salary in a manner that suits you the best. This plan will enable you to

1. Choose from a bouquet of allowance or benefits
2. Redefine your salary structure within prescribed guidelines
3. Optimize your earnings

\*\* **Incentive Indication:** Incentive amount may be higher, lower, or nil as per the terms described herein. The incentive program is discretionary, subject to change, and based on individual performance and the performance of CTSC and its consolidated subsidiaries, including Cognizant. It is pro-rated to the duration spent with Cognizant for the calendar year and will be paid to you only if you are active on Cognizant's payroll on the day the incentive is paid.

**Note:**

- Any statutory revision of Provident Fund/ESI Contribution or any other similar statutory benefits will result in a change in the Net take home salary and the Annual Gross Compensation will remain the same.
- Cognizant has made this offer in good faith after expending significant time and resources in the hiring process. We hope you will join us, but appreciate your right to pursue another path. Your formal commitment to joining us forms the basis of further planning and client communication at Cognizant. If you renege on the commitment and decide not to join us after signing the offer letter, Cognizant reserves the right to not consider you for future career opportunities in the company. We look forward to welcoming you to Cognizant.

Login to <https://onecognizant.cognizant.com>->Total Rewards App for more details

## **Annexure B**

### **General Terms and Conditions of Employment**

Your employment with the Company shall be governed by the terms and conditions of the employment, along with all Annexures present in this letter and compliance with all Policies of the Company, as notified to you from time to time.

#### **1. Statement of facts**

Cognizant has made the offer of employment on the basis of the bonafide statements and facts provided by you in your application form for employment. At the time of employment or during employment, if Cognizant finds the information provided to be false or misleading, the Company reserves the right to terminate your services.

#### **2. Duties and Responsibilities**

a. During working hours, you shall use your best energies and abilities to serve Cognizant faithfully and devote your time, attention and abilities to the business of Cognizant. You shall comply with the rules, regulations, policies and procedures, as notified by Cognizant in letter and spirit.

b. You shall not, without the company's prior written consent, in any way, directly or indirectly engage with any other business or employment during or outside your hours of work in the company. You are not allowed to undertake any other gainful employment, business, assume any public office or private office, honorary or remunerative position, without prior written permission of Cognizant. During your employment, you shall not directly or indirectly engage in any conduct averse to the best interests of the company. In addition, you shall not divulge any confidential information or violate any agreement with your prior employers or their clients.

c. You shall sign and subscribe to the relevant policies of the Company, including but not limited to:

- i. The Proprietary Rights and Non-Disclosure Agreement
- ii. The Code of Business Conduct and Ethics
- iii. Prohibition on Disclosure or Use of inside Information
- iv. Default User Rights On Cognizant Network

#### **3. Place of work**

You will be in employment at any one of Cognizant's offices as per business requirement.

#### **4. Conduct**

You agree that at all times you will faithfully, industriously, and to the best of your skill, ability, experience and talents, perform all of the duties required of your position. In carrying out these duties and responsibilities, you shall comply with all policies, procedures, rules and regulations, both written and oral, as are announced by the Company from time to time shall honor and comply with all rules and policies of the Company and statutory requirements under Law, in letter and spirit.

## **5. Confidentiality**

a. During the course of the work you may learn information that is private, business sensitive or confidential. This information may concern or relate to the clients or other parties with which the Company has dealings. You must keep the information as secret and must not, without specific written permission from the company, disclose any such information, from whatever source and however you may learn it, to any person or third party.

A breach of the confidentiality as specified above may serve as cause to termination of your employment. The obligations imposed on you under this clause will stay in effect and continue even if you leave the employment of Company for whatever reason.

c. You shall not take copies of confidential documents or information for your own purposes and forthwith upon termination, you shall return to the Company all documents, records and accounts in any form (including electronic, mechanical, photographic & optical recording) relating to matters concerning the business or dealings or affairs of the Company.

d. You shall not during your employment and at all times thereafter do or say anything that may cause direct or indirect damage to the business of the Company.

## **6. Separation from the company**

a. Either party may terminate the agreement by providing 60 days "Notice Period".

b. If your services are terminated by the Company due to misdemeanor, unsatisfactory performance or any other disciplinary matter or based on management decisions, the Company will pay your salary for the Notice Period starting from the date on which Company informs you of such matter. If the termination of services is for reasons mentioned under (a). above, no salary shall be payable for the Notice Period.

10. Entire Agreement - This letter contains the entire agreement between the parties, superseding in all respects any and all prior oral or written agreements or understandings pertaining to your employment and shall be amended or modified only by written instrument signed by both the parties hereto.

## Annexure C

### RSU AND PSU AWARDS

Subject to approval from the Compensation Committee of the Board of Directors of CTSC (the “Compensation Committee”), you will be granted awards of restricted stock units with vesting based on duration of employment (“RSUs”) and restricted stock units with vesting based on the satisfaction of performance criteria and duration of employment (“PSUs”), as provided for under Article Nine of CTSC’s 2017 Incentive Award Plan (the “Plan”), subject to the vesting and other terms set forth herein and the terms and conditions of the Plan and the Cognizant Technology Solutions Corporation Restricted Stock Unit Award Grant Notice and Award Agreement and the Cognizant Technology Solutions Corporation Performance-Based Restricted Stock Unit Award Grant Notice and Award Agreement, respectively, approved by the Compensation Committee under the Plan concurrently herewith, to persons employed by CTSC or any of its consolidated subsidiaries.

Each grant and all vesting’s of RSUs and PSUs contemplated under this agreement are subject to your remaining in employment with Cognizant through the applicable grant or vesting date (as applicable).

#### RSUs

Your targeted annual compensation in the form of RSUs (using the grant date fair value of awards) will be **\$750,000** (the “RSU Target”). To achieve such targeted annual compensation, for 2020, assuming the grant date (the “Grant Date”) is during the fourth calendar quarter of 2020, on the Grant Date you will receive an award of RSUs with a Grant Date fair value (i.e., based on the closing share price of CTSC on such date) of **\$937,500** and vesting in nine successive quarterly installments as follows: (i) 1/5th of the units shall vest on the first three-month anniversary of the Grant Date, (ii) 2/3rds of 1/5th of the units shall vest on each of the second, third, fourth and fifth three-month anniversaries of the Grant Date, (iii) 1/3rd of 1/5th of the units shall vest on each of the sixth, seventh, eighth and ninth three-month anniversaries of the Grant Date..

For 2021 and subsequent years, you will receive an annual award of RSUs with a grant date fair value equal to the RSU Target with the grant occurring during the first calendar quarter and vesting in twelve successive quarterly installments (subject to any RSU program changes adopted by the Compensation Committee and applicable to CTSC executives generally, including as to grant amount, award type, timing, vesting or otherwise).

You will also receive on the Grant Date a **one-time, non-recurring award of RSUs**. Such award of RSUs will have a Grant Date value of **\$2,250,000** and will vest in twelve successive quarterly installments, with 1/12th of such RSUs vesting on the first three-month anniversary of the Grant Date (the “First Quarterly Vesting Date”), and an additional 1/12th of such RSUs vesting on each three-month anniversary of the First Quarterly Vesting Date until all such RSUs shall have vested.

For 2020, both your regular and one-time RSU awards will be granted on or before December 31, 2020.

All aforementioned components of your compensation will be subject to customary deductions and withholdings as required by law or as authorized by you.

PSUs

Your targeted annual compensation in the form of PSUs (using the grant date fair value of awards) will be **\$750,000** (the “PSU Target”). You will not receive an award of PSUs for 2020. For 2021 and subsequent years, on the applicable date that PSU grants are made to executive vice presidents of CTSC generally, you will receive an award of PSUs with a grant date fair value equal to the PSU Target, with such performance metrics and targets and vesting terms consistent with similarly situated executives. The terms of the PSUs, including the performance metrics, targets and measurement period, vesting terms, any discretionary component and any aspect that is tailored to a particular executive or group of executives in a manner aligned to the responsibilities of and performance goals established for such executive or group of executives, will be determined by the Compensation Committee in its sole discretion.

#### **Annexure D SIGN ON BONUS**

In connection with your joining Cognizant, you will receive a sign on bonus of **INR. 40,392,000** that will be paid in three installments. The details are as below:

- The first installment, in the amount of **INR.25,704,000/-**, will be paid after completion of 30 days of service with Cognizant
- The second installment, in the amount of **INR.7,344,000. /-**, will be paid after completion of twelve months of service with Cognizant.
- The third installment, in the amount of **INR. 7,344,000 /-**, will be paid after completion of 24 months of service with Cognizant.

Kindly note the points below:

1. The sign on bonus will be subject to statutory and income tax deductions as applicable.
2. You will be obligated to return any sign on bonus amounts paid to you in the event of your departure from Cognizant within one year of joining.

Login to <https://onecognizant.cognizant.com>->Total Rewards App for more details.

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION 2004 EMPLOYEE STOCK  
PURCHASE PLAN**

**(AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2022)**

**ARTICLE 1.**

**DEFINITIONS**

- 1.1 “Account” means the book account established for a Participant under Article 9 hereunder.
- 1.2 “Board of Directors” shall mean the Board of Directors of the Company.
- 1.3 “Code” shall mean the Internal Revenue Code of 1986, as amended.
- 1.4 “Committee” shall mean the Compensation Committee of the Board of Directors appointed and acting in accordance with the terms of the Plan.
- 1.5 “Common Stock” shall mean shares of the Company’s Class A Common Stock, par value \$.01 per share, and such other securities of the Company that may be substituted therefor pursuant to Article 21.
- 1.6 “Company” shall mean Cognizant Technology Solutions Corporation, a Delaware corporation. When used in the Plan with reference to employment, Company shall include Designated Subsidiaries.
- 1.7 “Compensation” shall mean the total cash compensation paid to an Eligible Employee by the Company or any Designated Subsidiary, as reportable on IRS Form W-2. Notwithstanding the foregoing, Compensation shall exclude severance pay, stay-on bonuses, long term bonuses, retirement income, change-in-control payments, contingent payments, income derived from stock options, stock appreciation rights and other equity-based compensation and other forms of special remuneration.
- 1.8 “Designated Subsidiary” shall mean any Subsidiary the employees of which the Committee from time to time determines to extend the benefits of the Plan to.
- 1.9 “Effective Date” shall mean April 1, 2004.
- 1.10 “Eligible Employees” shall mean only those persons who, as of immediately after they are granted an option for a Purchase Period, are Employees not deemed for purposes of Section 423(b)(3) of the Code to own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company.
- 1.11 “Employees” shall mean all persons who are employed as common-law employees by the Company or any Designated Subsidiary, excluding persons (i) whose customary employment is 20 hours or less per week, or (ii) whose customary employment is for not more than five months in a calendar year.
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1.12 “Exercise Date” shall mean the last day of a Purchase Period.

1.13 “Fair Market Value” per share of Common Stock on any relevant date shall be the closing price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange serving as the primary market for the Common Stock, as such price is reported by the National Association of Securities Dealers (if primarily traded on the Nasdaq Select or Global Select Market) or as officially quoted in the composite tape of transactions on any other Stock Exchange on which the Common Stock is then primarily traded. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

1.14 “Participant” shall mean an Eligible Employee who elects to participate in the Plan under Article 7 hereunder.

1.15 “Plan” shall mean the Cognizant Technology Solutions Corporation 2004 Employee Stock Purchase Plan, as set forth herein and as amended from time to time.

1.16 “Purchase Period” shall mean quarterly purchase periods that begin on the first business day of, and end on the last business day of, each calendar period, unless modified by the Committee not less than 60 days in advance of the commencement of such modified period. The last Purchase Period under the Plan shall terminate on or before the date of termination of the Plan provided in Article 25.

1.17 “Stock Exchange” shall mean the Nasdaq Global or Global Select Market or the New York Stock Exchange.

1.18 “Subsidiary” shall mean any corporation that is a subsidiary of the Company within the meaning of Section 424(f) of the Code.

1.19 “Termination of Service” shall mean the earliest of the following events with respect to a Participant: his retirement, death, resignation, discharge or permanent separation from service with the Company.

The masculine gender includes the feminine, the singular number includes the plural and the plural number includes the singular unless the context otherwise requires.

## **ARTICLE 2. PURPOSE**

2.1 It is the purpose of this Plan to provide a means whereby Eligible Employees may purchase Common Stock through payroll deductions. It is intended to provide a further incentive for Employees to promote the best interests of the Company and to encourage stock ownership by Employees in order to participate in the Company’s economic progress.

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2.2 It is the intention of the Company to have the Plan qualify as an “employee stock purchase plan” within the meaning of Section 423 of the Code and the provisions of the Plan shall be construed in a manner consistent with the Code.

### **ARTICLE 3.**

#### **ADMINISTRATION**

The Plan shall be administered by the Committee. The Committee shall have authority to make rules and regulations for the administration of the Plan, and its interpretations and decisions with regard thereto shall be final and conclusive. The Committee shall have all necessary authority to communicate, from time to time, with Eligible Employees and Participants for purposes of administering the Plan, and shall notify Eligible Employees promptly of its election of the term of each forthcoming Purchase Period, if other than quarterly.

### **ARTICLE 4. SHARES**

There shall be 40,000,000 shares of Common Stock reserved for issuance to and purchase by Participants under the Plan. Such share reserve includes (i) the 28,000,000 shares of Common Stock previously reserved for issuance under the Plan (after giving effect to the two-for-one stock split of Common Stock that occurred on March 10, 2014), plus (ii) an increase of 12,000,000 shares of Common Stock approved by the Board of Directors on February 27, 2018, subject to stockholder approval at the Company’s 2018 Annual Meeting of Stockholders. The shares of Common Stock subject to the Plan shall be either shares of authorized but unissued Common Stock or shares of Common Stock reacquired by the Company. Shares of Common Stock subject to any unexercised portion of any terminated option may again be granted under the Plan.

### **ARTICLE 5.**

#### **PURCHASE PRICE**

The purchase price per share of Common Stock sold under this Plan for any Purchase Period shall be equal to 95% of the Fair Market Value of a share of Common Stock on the Exercise Date of such Purchase Period.

### **ARTICLE 6.**

#### **GRANT OF OPTION TO PURCHASE SHARES AND ACCRUAL LIMITATIONS**

6.1 Each Eligible Employee shall be granted an option effective on the first day of each Purchase Period to purchase a number of full shares of Common Stock. Unless the Committee determines otherwise prior to the start date of the applicable Purchase Period and subject to the limitations set forth in this Article 6, each option granted for a Purchase Period beginning on or after January 1, 2010 shall provide the Participant with the right to purchase shares of Common

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Stock under this Plan with an aggregate Fair Market Value of up to \$25,000 (as determined on the first day of the Purchase Period) on the related Exercise Date.

6.2 Anything herein to the contrary notwithstanding, if, as of the first day of a Purchase Period, any Eligible Employee entitled to purchase shares hereunder would be deemed for the purposes of Section 423(b)(3) of the Code to own stock (including any number of shares which such person would be entitled to purchase hereunder) possessing 5% or more of the total combined voting power or value of all classes of stock of the Company, the maximum number of shares which such person shall be entitled to purchase pursuant to the Plan shall be reduced to that number that when added to the number of shares of stock of the Company which such person is so deemed to own (excluding any number of shares which such person would be entitled to purchase hereunder), is one less than such 5%.

6.3 The Committee shall have the discretionary authority, exercisable prior to the start of any Purchase Period under the Plan, to increase or decrease the limitations to be in effect for the number of shares purchasable per Participant and in total by all Participants on each Exercise Date.

## **ARTICLE 7.**

### **ELECTION TO PARTICIPATE**

7.1 An Eligible Employee may elect to become a Participant in this Plan by completing a “Stock Purchase Agreement” form or otherwise indicating an election via electronic enrollment prior to the first day of the Purchase Period. In the Stock Purchase Agreement, the Eligible Employee shall authorize regular payroll deductions from his Compensation subject to the limitations in Article 8 below. Options granted to Eligible Employees who fail to authorize payroll deductions will automatically lapse. If a Participant’s payroll deductions allow him to purchase fewer than the maximum number of shares of Common Stock to which his option entitles him, the option with respect to the shares that he does not purchase will lapse as of the relevant Exercise Date.

7.2 The execution and delivery of the Stock Purchase Agreement as between the Participant and the Company shall be conditioned upon the compliance by the Company at such time with Federal (and any applicable state) securities laws.

## **ARTICLE 8.**

### **PAYROLL DEDUCTIONS**

8.1 An Eligible Employee may authorize payroll deductions from his Compensation for each payroll period of a specified percentage of such Compensation, not less than 1% and not more than 15%, in multiples of 1%.

8.2 The amount of payroll deduction shall be established prior to the beginning of a Purchase Period and may not be altered, except for complete discontinuance under Article 11, 13 or 14 hereunder.

8.3 For a given Purchase Period, payroll deductions shall commence on the first day of the Purchase Period and shall end on the related Exercise Date, unless sooner terminated as provided in the Plan.

## **ARTICLE 9.**

### **EMPLOYEE STOCK PURCHASE ACCOUNT**

An Account will be established for each Participant in the Plan. Payroll deductions made under Article 8 will be credited to the individual Accounts and no interest or other earnings will be credited to a Participant's Account. The amounts collected from the Participant shall not be required to be held in any segregated account or trust fund and may be commingled with the general assets of the Company and used for general corporate purposes.

## **ARTICLE 10.**

### **PURCHASE OF SHARES**

10.1 If, as of any Exercise Date, there is credited to the Account of a Participant an amount at least equal to the purchase price of one share of Common Stock for the current Purchase Period, as determined in Article 5, the Participant shall buy and the Company shall sell at such price the largest number of whole shares of Common Stock which can be purchased with the amount in his Account, subject to the limitations set forth in Article 6.

10.2 Any balance remaining in a Participant's Account at the end of a Purchase Period will be carried forward into the Participant's Account for the following Purchase Period. However, in no event will the balance carried forward be equal to or exceed the purchase price of one share of Common Stock as determined in Article 5 above. Notwithstanding the foregoing provisions of this paragraph, if as of any Exercise Date the provisions of Article 15 are applicable to the Purchase Period ending on such Exercise Date, and the Committee reduces the number of shares that would otherwise be purchased by Participants on such Exercise Date, the entire balance remaining credited to the Account of each Participant after the purchase of the applicable number of shares of Common Stock on such Exercise Date shall be refunded to each such Participant.

10.3 Anything herein to the contrary notwithstanding, no Participant may, in any calendar year, purchase a number of shares of Common Stock under this Plan that, together with all other shares of stock of the Company and its Subsidiaries that he may be entitled to purchase in such year under all other employee stock purchase plans of the Company and its subsidiaries that meet the requirements of Section 423(b) of the Code, have an aggregate Fair Market Value (measured as of the first day of each applicable Purchase Period) in excess of \$25,000 and, if as of any Exercise Date the foregoing limitation is applicable to the Purchase Period ending on such Exercise Date, the balance remaining credited to the Account of such Participant in excess of such limitation after the purchase of the applicable number of shares of Common Stock (if any) on such Exercise Date shall be refunded to such Participant. The limitation described in the preceding sentence shall be applied in a manner consistent with Section 423(b) (8) of the Code.

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10.4 No refund of an Account balance made pursuant to the Plan shall include any amount in respect of interest or other imputed earnings.

10.5 At the time a Participant's rights under the Plan are exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of, the Participant must make adequate provision for the Company's federal, state, or other tax withholding obligations, if any, that arise upon the exercise of the right or the disposition of the Common Stock. At any time, the Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary for the Company to meet applicable withholding obligations.

#### **ARTICLE 11. WITHDRAWAL**

A Participant may withdraw from the Plan at any time prior to the Exercise Date of a Purchase Period by filing a notice of withdrawal. Upon a Participant's withdrawal, the payroll deductions shall cease for the next payroll period and the entire amount credited to his Account shall be refunded to him. Any Participant who withdraws from the Plan may again become a Participant hereunder at the start of the next Purchase Period in accordance with Article 7.

#### **ARTICLE 12.**

#### **ISSUANCE OF STOCK CERTIFICATES**

The shares of Common Stock purchased by a Participant shall, for all purposes, be deemed to have been issued and sold at the close of business on the Exercise Date. Prior to that date, none of the rights or privileges of a stockholder of the Company shall exist with respect to such shares. Stock certificates shall be registered either in the Participant's name or jointly in the names of the Participant and his spouse, as the Participant shall designate in his Stock Purchase Agreement. Such designation may be changed at any time by filing notice thereof. Certificates representing shares of purchased Common Stock shall be delivered promptly to the Participant following issuance.

#### **ARTICLE 13.**

#### **TERMINATION OF SERVICE**

13.1 Upon a Participant's Termination of Service for any reason other than death or voluntary termination of employment on or after attaining age 55 ("Retirement"), no payroll deduction may be made from any Compensation due him as of the date of his Termination of Service and the entire balance credited to his Account shall be automatically refunded to him.

13.2 Upon a Participant's Retirement, no payroll deduction shall be made from any Compensation due him as of the date of his Retirement. Such a Participant may, prior to Retirement, elect:

- (a) to have the entire amount credited to his Account as of the date of his Retirement refunded to him, or

(b) to have the entire amount credited to his Account held therein and utilized to purchase shares on the Exercise Date as provided in Article 10.

13.3 Upon the death of a Participant, no payroll deduction shall be made from any Compensation due him at time of death, and the entire balance in the deceased Participant's Account shall be paid to the Participant's designated beneficiary, or otherwise to his estate.

#### **ARTICLE 14.**

##### **AUTHORIZED LEAVE OF ABSENCE, DISABILITY**

14.1 Payroll deductions shall cease during a period of absence without pay from work due to a Participant's authorized leave of absence, disability or for any other reason. If such Participant shall return to active service prior to the Exercise Date for the current Purchase Period, payroll deductions shall be resumed in accordance with his prior authorization.

14.2 If the Participant shall not return to active service prior to the Exercise Date for the current Purchase Period, the balance of his Stock Purchase Account will be used to purchase shares on the Exercise Date as provided in Article 10, unless the Participant elects to withdraw from the Plan in accordance with Article 11.

#### **ARTICLE 15.**

##### **PROCEDURE IF INSUFFICIENT SHARES AVAILABLE**

In the event that on any Exercise Date the aggregate funds available for the purchase of shares of Common Stock pursuant to Article 10 hereof would result in purchases of shares in excess of the number of shares of Common Stock then available for purchase under the Plan, the Committee shall proportionately reduce the number of shares that would otherwise be purchased by each Participant on the Exercise Date in order to eliminate such excess, and the provisions of the second paragraph of Article 10 shall apply.

#### **ARTICLE 16.**

##### **RIGHTS NOT TRANSFERABLE**

The right to purchase shares of Common Stock under this Plan is exercisable only by the Participant during his lifetime and is not transferable by him. If a Participant attempts to transfer his right to purchase shares under the Plan, he shall be deemed to have requested withdrawal from the Plan and the provisions of Article 11 hereof shall apply with respect to such Participant.

#### **ARTICLE 17.**

##### **NO OBLIGATION TO EXERCISE OPTION**

Granting of an option under this Plan shall impose no obligation on an Eligible Employee to exercise such option.

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**ARTICLE 18.**

**NO GUARANTEE OF CONTINUED EMPLOYMENT**

Granting of an option under this Plan shall imply no right of continued employment with the Company for any Eligible Employee.

**ARTICLE 19.**

**NOTICE**

19.1 Any notice that an Eligible Employee or Participant files pursuant to this Plan shall be in writing and shall be delivered personally or by mail addressed to the Committee, c/o Chief Executive Officer at Glenpointe Centre West, 300 Frank W. Burr Blvd., Teaneck, NJ 07666, or such other person or location as may be specified by the Committee.

19.2 Each Participant shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock purchased upon exercise of a right under the Plan if such disposition or transfer is made: (a) within two years from the first day of the Purchase Period in which the shares of Common Stock were purchased or (b) within one year after the Exercise Date on which such shares of Common Stock were purchased. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

**ARTICLE 20.**

**REPURCHASE OF STOCK**

The Company shall not be required to repurchase from any Participant shares of Common Stock acquired under this Plan.

**ARTICLE 21.**

**ADJUSTMENTS UPON CHANGES IN STOCK**

21.1 Subject to Section 21.3, in the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, amalgamation, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Committee, affects the Common Stock such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any outstanding purchase rights under the Plan, the Committee shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of shares of Common Stock (or

other securities or property) that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Article 4 and the limitations established in each Stock Purchase Agreement); (b) the class(es) and number of shares of Common Stock and price per share of Common Stock subject to outstanding rights; and (c) the Purchase Price with respect to any outstanding rights.

21.2 Subject to Section 21.3, in the event of any transaction or event described in Section 21.1 or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate, or of changes in applicable law or accounting principles, the Committee, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Committee determines that such action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any right under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(a) To provide for either (i) termination of any outstanding right in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such right had such right been currently exercisable or (ii) the replacement of such outstanding right with other rights or property selected by the Committee in its sole discretion;

(b) To provide that the outstanding rights under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(c) To make adjustments in the number and type of shares (or other securities or property) subject to outstanding rights under the Plan and/or in the terms and conditions of outstanding rights and rights that may be granted in the future;

(d) To provide that Participants' accumulated payroll deductions may be used to purchase Common Stock prior to the next occurring Exercise Date on such date as the Committee determines in its sole discretion and the Participants' rights under the ongoing Purchase Period(s) shall be terminated; and

(e) To provide that all outstanding rights shall terminate without being exercised.

21.3 No adjustment or action described in this Article 21 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to fail to satisfy the requirements of Section 423 of the Code.

21.4 Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class,

shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to outstanding rights under the Plan or the Purchase Price with respect to any outstanding rights.

21.5 The foregoing adjustments and the manner of application of the foregoing provisions shall be determined by the Committee in its sole discretion. Any such adjustment shall provide for the elimination of any fractional share that might otherwise become subject to an option.

## **ARTICLE 22.**

### **AMENDMENT OF THE PLAN**

22.1 The Board of Directors may, without the consent of the Participants, amend the Plan at any time, provided that no such action shall adversely affect options theretofore granted hereunder, and provided that no such action by the Board of Directors, without approval of the Company's stockholders, may:

- (a) increase the total number, or change the type, of shares of Common Stock that may be purchased by all Participants, except as contemplated in Article 21;
- (b) change the corporations or classes of corporations the employees of that may be granted rights under the Plan;  
or
- (c) change the Plan in any manner that would cause the Plan to no longer be an "employee stock purchase plan" within the meaning of Section 423(b) of the Code.

## **ARTICLE 23.**

### **INTERNATIONAL PARTICIPANTS**

With respect to Eligible Employees who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan with respect to such Eligible Employees in order to conform such terms with the requirements of local law, provided that such special terms may not be more favorable than the terms of rights granted under the Plan to Eligible Employees who reside or work in the United States of America.

## **ARTICLE 24.**

### **EQUAL RIGHTS AND PRIVILEGES**

Subject to Article 23, all Eligible Employees will have equal rights and privileges under this Plan so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 of the Code. Subject to Article 23, any provision of this Plan that is inconsistent with Section 423 of the Code will, without further act or amendment by the Company, the Board of Directors or the Committee, be reformed to comply with the equal rights and privileges requirement of Section 423 of the Code.

## **ARTICLE 25.**

### **TERM OF THE PLAN**

This Plan originally became effective as of the Effective Date, and was approved by the stockholders on May 26, 2004, and was thereafter amended and restated on April 1, 2013, and such amendment and restatement was approved by the stockholders on June 4, 2013. The Plan, as amended and restated effective February 27, 2018, became effective upon its adoption by the Board of Directors on such date, provided, however, that the increase in the number of shares of Common Stock reserved for issuance under the Plan from 28,000,000 shares to 40,000,000 shares shall become effective only if it is approved at the Company's 2018 Annual Meeting of Stockholders. The Plan shall continue in effect until all shares reserved for issuance pursuant to Article 4 have been granted to Participants, unless terminated prior thereto pursuant to Article 15 or 21 hereof, or pursuant to the next succeeding sentence. The Board of Directors shall have the right to terminate the Plan at any time, effective as of the next succeeding Exercise Date. In the event of the termination of the Plan, outstanding options shall not be affected, except to the extent provided in Article 15, and any remaining balance credited to the Account of each Participant as of the applicable Exercise Date shall be refunded to each such Participant.

AMENDMENT NO. 1

THIS AMENDMENT NO. 1 (this "Agreement"), dated as of December 23, 2021, is entered into among COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION, a Delaware corporation (the "Borrower"), COGNIZANT WORLDWIDE LIMITED, a company incorporated in England and Wales with registered number 7195160 ("CWL"), as a Designated Borrower and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "Administrative Agent").

RECITALS

WHEREAS, the Borrower, CWL, the additional designated borrowers from time to time party thereto, the lenders from time to time party thereto (the "Lenders"), and JPMorgan Chase Bank, N.A., as Administrative Agent are party to certain Credit Agreement, dated as of November 6, 2018 (as amended, modified, extended, restated, replaced, or supplemented from time to time prior to the date hereof, the "Credit Agreement");

WHEREAS, certain loans, commitments and/or other extensions of credit (the "Loans") under the Credit Agreement denominated in Euros and Swiss Francs (the "Affected Currencies") incur or are permitted to incur interest, fees or other amounts based on the London Interbank Offered Rate as administered by the ICE Benchmark Administration ("LIBOR") in accordance with the terms of the Credit Agreement;

WHEREAS, pursuant to Section 3.03(b) of the Credit Agreement, the Administrative Agent and the Borrower have determined in accordance with the Credit Agreement that LIBOR for the Affected Currencies should be replaced with the applicable alternate rates of interest for all purposes under the Credit Agreement and any Loan Document and such changes shall become effective at and after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such alternative rates of interest is provided to the Lenders (such time, the "Objection Deadline"), so long as the Administrative Agent has not received, by such time, written notice of objection to such applicable alternate rate of interest from Lenders comprising the Required Lenders; and

WHEREAS, pursuant to Section 3.03(b) of the Credit Agreement, the Administrative Agent and the Borrower have determined in accordance with the Credit Agreement that LIBOR for the Affected Currencies should be replaced with an alternate rate of interest in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent has determined that certain conforming changes are necessary or advisable.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement, as amended by this Agreement.
  2. Agreement. The Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages attached as Exhibit A hereto.
  3. Payment of Expenses. The Borrower agrees to reimburse the Administrative Agent for all reasonable fees, charges and disbursements of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including all reasonable fees, charges and disbursements of counsel to the Administrative Agent.
  4. Conditions Precedent. This effectiveness of this Agreement is subject to the satisfaction of each of the following conditions (the date of the satisfaction of all such conditions, the "Amendment Effective Date"):
-

(a) The Administrative Agent (or its counsel) shall have received from each of the Borrower and CWL, either (x) a counterpart of this Agreement signed on behalf of such party or (y) written evidence reasonably satisfactory to the Administrative Agent (which may include delivery of a signed signature page of this Agreement by facsimile or other means of electronic transmission (e.g., “pdf”)) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent has not received, by the Objection Deadline, written notice of objection to such applicable alternative rates of interest or the amendments to the Credit Agreement as provided herein from Lenders comprising the Required Lenders.

(c) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects, in each case on and as of the Amendment Effective Date (or true and correct in all material respects as of a specified date, if earlier).

(d) At the time of and immediately after effectiveness of this Agreement, no Default or Event of Default shall have occurred and be continuing.

5. Representations and Warranties. Each of the Borrower and CWL represents and warrants to the Administrative Agent that, as of the date hereof:

(a) this Agreement has been duly authorized, executed and delivered by the Borrower and CWL and constitutes the legal, valid and binding obligation of the Borrower and CWL enforceable against each of the Borrower and CWL in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors’ rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing; and

(b) the execution, delivery and performance by each of the Borrower and CWL of this Agreement will not (i) violate (a) the terms of any of the Borrower’s or CWL’s Organizational Documents or (b) any Law or any material contractual restriction binding on or affecting it, except, in each case referred to in clause (b), to the extent such contravention could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, or (ii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or CWL, other than the Liens permitted under Article VII of the Credit Agreement.

(c) At the time of and immediately after effectiveness of this Agreement, no Default or Event of Default shall have occurred and be continuing.

6. Reaffirmation; Reference to and Effect on the Loan Documents.

(a) From and after the Amendment Effective Date, each reference in the Credit Agreement to “hereunder,” “hereof,” “this Agreement” or words of like import and each reference in the other Loan Documents to “Credit Agreement,” “thereunder,” “thereof” or words of like import shall, unless the context otherwise requires, mean and be a reference to the Credit Agreement as amended by this Agreement. This Agreement is a Loan Document.

(b) The Loan Documents, and the obligations of the Borrower and CWL under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms.

(c) Each of Borrower and CWL (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents, and (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents. The Borrower hereby reaffirms its obligations under the guaranty in Article X of the Credit Agreement and agrees that its obligation to guarantee the Obligations is in full force and effect as of the date hereof.

(d) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control.

7. Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial, Etc. **EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTIONS 11.14 and 11.15 OF THE CREDIT AGREEMENT AS IF SUCH SECTIONS WERE SET FORTH IN FULL HEREIN.**

8. Amendments; Headings; Severability. This Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, CWL and the Administrative Agent. The Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting this Agreement. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

9. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

10. Notices. All notices hereunder shall be given in accordance with the provisions of Section 11.02 of the Credit Agreement.

[remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

BORROWER: COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION,

By: /s/ Jan Siegmund \_\_\_\_\_  
Name:  
Title:

DESIGNATED BORROWER: COGNIZANT WORLDWIDE LIMITED,

By: /s/ Jan Siegmund \_\_\_\_\_

Name:  
Title:

---

[Signature Page to Amendment No. 1]

ADMINISTRATIVE AGENT: JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

By: /s/ Zachary Quan  
Name: Zachary Quan  
Title: Vice President

Exhibit A

*(Attached hereto)*

**\$2,500,000,000**

**CREDIT AGREEMENT**

Dated as of November 6, 2018

among

**COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION,**  
as the Borrower,

**COGNIZANT WORLDWIDE LIMITED,**  
as a Designated Borrower,

The Additional Designated Borrowers from Time to Time Parties Hereto,

**JPMORGAN CHASE BANK, N.A.,**  
as Administrative Agent,

The Other Lenders Party Hereto,

**BARCLAYS BANK PLC,**  
**BB&T CAPITAL MARKETS,**  
**BNP PARIBAS SECURITIES CORP.** and  
**RBC CAPITAL MARKETS<sup>1</sup>**  
as Syndication Agents,

and

**CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,**  
**HSBC BANK USA, N.A.,**  
**SANTANDER BANK, N.A.,**  
**STANDARD CHARTERED BANK,**  
**SUNTRUST BANK,**  
**TD BANK, N.A.,**  
**U.S. BANK NATIONAL ASSOCIATION** and  
**WELLS FARGO BANK, N.A.**  
as Documentation Agents

and

**BANK OF AMERICA, N.A.,**  
**CITIGROUP GLOBAL MARKETS INC.,**  
**CREDIT AGRICOLE, CORPORATE AND INVESTMENT BANK,**  
**DBS BANK LTD.,**  
**KEYBANK NATIONAL ASSOCIATION,**  
**LLOYDS BANK CORPORATE MARKETS,**  
**PNC BANK, NATIONAL ASSOCIATION,**  
**SOCIETE GENERALE** and  
**THE BANK OF NEW YORK MELLON**  
as Senior Managing Agents

**J.P. MORGAN SECURITIES LLC,**  
**BARCLAYS BANK PLC,**  
**BB&T CAPITAL MARKETS,**  
**BNP PARIBAS SECURITIES CORP.** and  
**RBC CAPITAL MARKETS**  
as Joint Lead Arrangers and Joint Bookrunners

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<sup>1</sup> RBC Capital Markets is a brand name for the capital markets business of Royal Bank of Canada and its affiliates.

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- B Note
- C Compliance Certificate
- D Assignment and Assumption
- E U.S. Tax Compliance Certificate
- F Joinder Agreement

## CREDIT AGREEMENT

This CREDIT AGREEMENT ("Agreement") is entered into as of November 6, 2018, among COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION, a Delaware corporation (the "Borrower"), COGNIZANT WORLDWIDE LIMITED, a company incorporated in England and Wales with registered number 7195160 ("CWL"), as a Designated Borrower, the additional Designated Borrowers from time to time parties hereto, each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The Borrower has requested that the Lenders provide a term loan facility and a revolving credit facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I. DEFINITIONS AND ACCOUNTING TERMS

1.01 **Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below:

"ABR" means for any day a fluctuating rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.5% and (c) the Eurocurrency Rate (provided that if the Eurocurrency Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this definition) appearing as of such day (or, if such day is not a Business Day, as of the immediately preceding Business Day) on the relevant Bloomberg Financial Markets Service page in respect of a proposed Eurocurrency Rate Loan denominated in U.S. Dollars with a one-month Interest Period plus 1.0%. Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or such Eurocurrency Rate shall be effective as of the opening of business on the day of such change in the Prime Rate, the Federal Funds Effective Rate or such Eurocurrency Rate, respectively. For the avoidance of doubt, if the ABR as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement.

"ABR Loan" means a Loan that bears interest based on the ABR. Each Swingline Loan shall be an ABR Loan.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any 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 or consolidation or any other combination with another Person (other than a Person that is a Subsidiary of the Borrower).

"Actual Knowledge" means, with respect to any information or event, that a Responsible Officer of the Borrower has actual knowledge of such information or event.

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**“Adjusted Daily Simple RFR” means, with respect to any RFR Borrowing denominated in Swiss Francs, an interest rate per annum equal to (a) the Daily Simple RFR for Swiss Francs, plus (b) -0.0571%, provided that if the Adjusted Daily Simple RFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.**

“Administrative Agent” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 11.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Parties” has the meaning specified in Section 11.02(c).

“Aggregate Commitments” means the Commitments of all the Lenders.

“Agreed Currencies” means (a) U.S. Dollars, (b) Euro, (c) Pounds Sterling, (d) Swiss Francs, (e) Canadian Dollars, (f) Yen, (g) Australian Dollars, (h) Singapore Dollars and (i) each other lawful currency that is readily available and freely transferable and convertible into U.S. Dollars that is reasonably acceptable to the Administrative Agent and Lenders and, in the case of a Letter of Credit, the applicable Issuing Bank.

“Agreement” means this Credit Agreement.

**“Alternative Currency” means each Agreed Currency other than U.S. Dollars.**

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“Applicable Jurisdiction” has the meaning specified in Section 11.04(a).

“Applicable Margin” means, for any day, if at any time the Borrower has received Index Debt Ratings from either of S&P and Moody’s, with respect to any ABR Loan, RFR Loan or Eurocurrency Rate Loan of any Class, or with respect to the Commitment Fees payable hereunder, as the case may be, shall be the applicable rate per annum set forth below under the caption “Applicable Margin (Eurocurrency Rate / RFR)”, “ABR Rate” or “Commitment Fee Rate”, as the case may be, based upon the Index Debt Rating by S&P and/or Moody’s, respectively, applicable on such date as set forth below under the caption “Ratings Level” (each such level set forth below, a “Ratings Level”):

Applicable Margin if Borrower has an Index Debt Rating:

<u>Ratings Level</u>	<u>Applicable Margin</u> (Eurocurrency Rate / <u>RFR</u> )	<u>ABR Rate</u>	<u>Commitment</u> <u>Fee Rate</u>
<u>Ratings Level I</u> Index Debt Ratings of at least A+ by S&P/A1 by Moody's	0.75%	0.00%	0.05%
<u>Ratings Level II</u> Index Debt Ratings of at least A by S&P/A2 by Moody's and not Ratings Level I	0.875%	0.00%	0.07%
<u>Ratings Level III</u> Index Debt Ratings of at least A- by S&P/A3 by Moody's and not Ratings Level I or II	1.00%	0.00%	0.09%
<u>Ratings Level IV</u> Index Debt Ratings below Ratings Level III	1.125%	0.00%	0.125%

For purposes of the foregoing, (i) in the event that Index Debt Ratings are provided by Moody's and S&P and such ratings shall fall within the same Ratings Level, the Applicable Margin shall be based upon such Ratings Level, (ii) in the event that Index Debt Ratings are provided by Moody's and S&P and such ratings shall fall within different Ratings Levels, the Applicable Margin shall be based on the Ratings Level of the higher of the two ratings unless one of the two ratings is two or more Ratings Levels lower than the other, in which case the Applicable Margin shall be based on the Ratings Level immediately below the Ratings Level of the higher of the two ratings; (iii) in the event that an Index Debt Rating is provided only by one of Moody's and S&P, the Applicable Margin shall be based on the Ratings Level of such rating; (iv) if at any time the Borrower does not have an Index Debt Rating from any of S&P and Moody's, the Applicable Margin shall be pursuant to the pricing grid below; and (v) if the Index Debt Rating established by a rating agency shall be changed (other than as a result of a change in the rating system of such rating agency), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Administrative Agent and the Lenders pursuant to Section 6.02 or otherwise.

Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of any of the rating agencies shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency.

Applicable Margin if Borrower does not have an Index Debt Rating:

<u>Level</u>	<u>Applicable Margin (Eurocurrency Rate / RFR)</u>	<u>ABR Rate</u>	<u>Commitment Fee Rate</u>
<u>Level I</u> Leverage Ratio of less than or equal to 1.0x	0.875%	0.00%	0.07%
<u>Level II</u> Leverage Ratio of greater than 1.0x and less than or equal to 2.0x	1.00%	0.00%	0.09%
<u>Level III</u> Leverage Ratio of greater than 2.0x	1.125%	0.00%	0.125%

For purposes of the foregoing, (A) the Leverage Ratio shall be calculated on a pro forma basis as of the end of each fiscal quarter of the Borrower following the delivery of the Compliance Certificate for such fiscal quarter and (B) each change in the Applicable Margin resulting from a change in the Leverage Ratio shall be effective during the period commencing on and including the date of delivery to the Administrative Agent of such Compliance Certificate indicating such change and ending on the date immediately preceding the effective date of the next such change; provided that (x) upon notice thereof from the Administrative Agent to the Borrower, the Leverage Ratio shall be deemed to be Level III if the Borrower fails to deliver any such Compliance Certificate during the period from the date that is five Business Days after the expiration of the time for delivery thereof until such Compliance Certificate is delivered (y) the Leverage Ratio shall be deemed to be Level I until the delivery of a Compliance Certificate for the fiscal quarter ended December 31, 2018.

“Applicable Percentage” means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender’s Commitment at such time; provided that in the case of Section 2.16 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the commitment of each Lender to make Loans has been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arrangers” means J.P. Morgan Securities LLC, Barclays Bank PLC, BB&T Capital Markets, BNP Paribas Securities Corp. and RBC Capital Markets.

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent (and the Borrower, in the case that the Borrower’s consent is required hereunder), in substantially the form of Exhibit D or any other form approved by the Administrative Agent and the Borrower.

“Attributable Indebtedness” means, on any date, in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

“AUD Screen Rate” has the meaning specified in the definition of “Eurocurrency Rate”.

“Audited Financial Statements” means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2017, and the related consolidated statements of income or operations, stockholders’ equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

“Australian Dollars” means the lawful currency of Australia.

“Availability Period” means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.04, and (c) the date of termination of the commitment of each Lender to make Loans pursuant to Section 8.02.

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

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank Levy” means any amount payable by any Lender or any of its Affiliates on the basis of or in relation to its balance sheet or capital base or any part of it or its liabilities or minimum regulatory capital or any combination thereof, including the UK bank levy as set out in the United Kingdom’s Finance Act 2011 (as amended), the French *taxe bancaire de risque systémique* as set out in Article 235 ter ZE of the French *Code Général des impôts*, the French *taxe pour le financement du fonds de soutien aux collectivités territoriales* as set out by Article 235 ter ZE bis of the French *Code Général des impôts*, the German bank levy as set out in the German Restructuring Fund Act 2010 (*Restrukturierungsfondsgesetz*) (as amended), the Dutch *bankenbelasting* as set out in the bank levy act (*Wet bankenbelasting*), the Swedish bank levy as set out in the Swedish Act on State Support to Credit Institutions (Sw. lag (2008:814) (*lag om statligt stöd till kreditinstitut*), the Spanish bank levy (*Impuesto sobre los Depósitos en las Entidades de Crédito*) as set out in the Law 16/2012 of 27 December 2012 and/or any other levy or tax in any jurisdiction levied on a similar basis or for a similar purpose.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“**Borrower**” has the meaning specified in the introductory paragraph hereto.

“**Borrower DTTP Filing**” means an HM Revenue & Customs’ Form DTTP2, duly completed and filed by the relevant Borrower within the applicable time limit, which contains the scheme reference number and jurisdiction of tax residence provided by the Lender to the Borrower and the Administrative Agent.

“**Borrower Materials**” means materials and/or information made available to the Lenders by the Administrative Agent or provided by or on behalf of the Borrower under this Agreement.

“**Borrowing**” means a borrowing consisting of (a) the Term Loans made by each of the Lenders pursuant to Section 2.01, (b) simultaneous Revolving Loans of the same Type and, in the case of Eurocurrency Rate Loans, having the same Interest Period, made by each of the Lenders pursuant to Section 2.01 or (c) Swingline Loans.

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, New York City, New York or London; provided that (a) if such day relates to any Eurocurrency Rate Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in the applicable Agreed Currency in the London interbank market or (other than in respect of Borrowings denominated in U.S. Dollars or Euro) the principal financial center of such Agreed Currency, ~~and~~ (b) when used in connection with a Eurocurrency Rate Loan denominated in Euro, the term “Business Day” shall also exclude any day on which the TARGET payment system is not open for the settlement of payments in Euro; and (c) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only an RFR Business Day.

“**Canadian Dollars**” means the lawful currency of Canada.

“**CDOR Rate**” means for any Loans in Canadian Dollars, the CDOR Screen Rate.

“**CDOR Screen Rate**” means, with respect to any Interest Period, the average rate for bankers acceptances as administered by the Investment Industry Regulatory Organization of Canada (or any other Person that takes over the administration of that rate) with a tenor equal to such Interest Period, displayed on CDOR page of the Reuters screen (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen or service that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion) as of the Specified Time on the Quotation Day for such Interest Period; provided that if the CDOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“**Change in Law**” means the occurrence, after the date of this Agreement or, with respect to any Issuing Bank or Lender, such later date on which such Issuing Bank or Lender becomes a party to this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar

authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel IV, shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means an event or series of events by which: any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 50% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis.

“Class” means (a) when used in reference to any Loan, refers to whether such Loan is a Term Loan, Revolving Loan or Swingline Loan and (b) when used in reference to any Commitment, refers to whether such Commitment is a Term Commitment or a Revolving Commitment.

“Closing Date” means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 11.01.

“Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time.

“Commitment Fee” has the meaning specified in Section 2.07(a).

“Commitments” means the Term Commitments and the Revolving Commitments.

“Compliance Certificate” means a certificate substantially in the form of Exhibit C.

“Computation Date” has the meaning specified in Section 2.18.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent deducted from revenues in determining Consolidated Net Income for such period, the sum of (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization expense including amortization recorded as a reduction to revenue, (iv) non-recurring or unusual expenses, charges or losses, (v) fees, costs, expenses, premiums, penalties or other losses incurred in connection with (A) any acquisition, including, without limitation, amortization of purchased intangible assets, external deal costs, acquisition-related retention bonuses, integration costs, changes in the fair value of contingent consideration liabilities and charges for impairment of acquired intangible assets, (B) any restructuring, recapitalization, or investment outside of the ordinary course of the Borrower’s business and (C) any refinancing transaction or modification or amendment of any debt instrument (including, in the case of subclauses (A) through and (C), any transaction undertaken but not completed), provided that the aggregate amount added back pursuant to this clause (v) together with amounts added back pursuant to clauses (vi), (xi) and (xiii)(B) below for any period shall not exceed 10% of Consolidated EBITDA for such period (with such calculation being made prior to giving effect to any such addbacks pursuant to clause (v), (vi), (xi) or (xiii)(B)), (vi) non-recurring or unusual expenses constituting amounts used to fund the Cognizant U.S. Foundation, provided that the aggregate amount added back pursuant to this clause (vi) together with amounts added back pursuant to clause (v) above and clauses (xi) and (xiii)(B) below for any period shall not exceed 10% of Consolidated EBITDA for such period (with such calculation being made prior to giving effect to any such addbacks pursuant to clause (v), (vi), (xi) or (xiii)(B)), (vii) fees, costs, expenses, premiums or penalties incurred in connection with (A) any asset sale or other disposition outside of the ordinary course of the Borrower’s business and/or (B) any issuance of equity interests by the Borrower or any issuance, incurrence or repayment of any Indebtedness by the Borrower or its Subsidiaries (including, in the case of subclauses (A) and (B), any transaction undertaken but not completed), (viii) net non-operating foreign currency exchange losses, if any (including gains or losses on related foreign exchange forward contracts not designated as hedging instruments for accounting purposes), (ix) losses from discontinued operations, (x) stock-based compensation expenses, (xi) realignment charges, including severance costs, lease termination costs and advisory fees related to non-routine shareholder matters and to the development of realignment and return of capital programs, provided that the aggregate amount added back pursuant to this clause (xi) together with amounts added back pursuant to clauses (v) and (vi) above and clause (xiii)(B) below for any period

shall not exceed 10% of Consolidated EBITDA for such period (with such calculation being made prior to giving effect to any such addbacks pursuant to clause (v), (vi), (xi) or (xiii)(B)); (xii) fees, costs and expenses incurred in connection with any litigation, judgment or settlement for any action, suit or proceeding in any court or before any arbitrator or Governmental Authority; and (xiii) (A) goodwill and intangible asset impairment charges and (B) fixed asset impairment charges, provided that the aggregate amount added back pursuant to this clause (xiii)(B) together with amounts added back pursuant to clause (v), (vi) or (xi) above for any period shall not exceed 10% of Consolidated EBITDA for such period (with such calculation being made prior to giving effect to any such addbacks pursuant to clause (v), (vi), (xi) or (xiii)(B)); minus, to the extent included in Consolidated Net Income, (1) interest income, (2) income tax benefits (to the extent not netted from tax expense), (3) non-recurring or unusual income or gains, (4) net non-operating foreign currency exchange gains, if any (including gains or losses on related foreign exchange forward contracts not designated as hedging instruments for accounting purposes), and (5) gains from discontinued operations, all calculated for the Borrower and its Subsidiaries in accordance with GAAP on a consolidated basis.

“Consolidated Net Income” means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis (without duplication) for such period.

“Consolidated Net Tangible Assets” means total assets (less depreciation and valuation reserves and other reserves and items deductible from gross book value of specific asset accounts of the Borrower and its Subsidiaries under GAAP) after deducting therefrom (1) all current liabilities and (2) all goodwill, trade names, trademarks, patents, unamortized debt discount, organization expenses and other like intangibles, all as set forth on the most recent balance sheet of the Borrower and its consolidated Subsidiaries and computed in accordance with GAAP.

“Contract Currency” has the meaning specified in Section 2.15(b).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Credit Party” means the Administrative Agent, each Lender, each Issuing Bank or each Swingline Lender.

“CTA” means the United Kingdom Corporation Tax Act 2009.

“CWL” has the meaning specified in the introductory paragraph hereto.

**“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to, for any RFR Loan denominated in Swiss Francs, SARON for the day that is five RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the Business Day immediately preceding such RFR Interest Day.**

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

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means, with respect to the Obligations, an interest rate equal to (i) the ABR plus (ii) the Applicable Margin, if any, applicable to ABR Loans plus (iii) 2% per annum; provided, however, that with respect to **an RFR or** Eurocurrency Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan plus 2% per annum.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied), (c) has failed, within three Business Days after written request by a Credit Party, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance reasonably satisfactory to such Credit Party and the Administrative Agent, (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (e) has become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“Designated Borrower” means (i) CWL and (ii) each Subsidiary of the Borrower that becomes a party hereto pursuant to Section 4.03, in each case, until such time as the Borrower notifies the Administrative Agent in writing that it wishes to terminate such Subsidiary’s designation as a Designated Borrower, so long as, on the effective date of such termination, all Obligations of such Designated Borrower hereunder shall have been paid in full.

“Designated Borrower Closing Date” means, with respect to each Designated Borrower, the date on which the conditions precedent set forth in Section 4.03 shall have been satisfied in respect of such Designated Borrower.

“Disclosed Matters” means the actions, proceedings and other matters relating to the Borrower’s and its Subsidiaries’ facilities in India occurring before the Closing Date and specifically disclosed on Schedule 5.10.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Lenders” means (i) those Persons who are competitors of the Borrower and its Subsidiaries that are separately identified in writing by the Borrower from time to time and (ii) any Person (other than any bona fide debt investment funds) that is either readily identifiable from the name of such Person as an Affiliate of any Person described in the forgoing clause (i) or identified in writing by the Borrower from time to time as being an Affiliate of any Person described in the forgoing clause (i); provided that no permitted supplement or modification to the list of Disqualified Lenders shall apply retroactively to disqualify any Persons that have previously acquired an assignment or participation in the Loans or Commitments.

“Documentation Agents” means Credit Suisse AG, Cayman Islands Branch, HSBC Bank USA, N.A., Santander Bank, N.A., Standard Chartered Bank, SunTrust Bank, TD Bank, N.A., U.S. Bank National Association and Wells Fargo Bank, N.A..

“Dollar Amount” of any currency at any date means (a) if such currency is U.S. Dollars, the amount of such currency, or (b) if such currency is a Foreign Currency, the equivalent in such currency of U.S. Dollars, calculated on the basis of the Exchange Rate for such currency on or as of the most recent Computation Date provided for in Section 2.18.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

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

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.06(b) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)).

“Equivalent Amount” of any currency with respect to any amount of U.S. Dollars at any date means the equivalent in such currency of such amount of U.S. Dollars, calculated on the basis of the Exchange Rate for such other currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(a)(14) of ERISA or, for purposes of provisions relating to Section 412 of the Code, Section 414(m) or (o) of the Code.

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) the incurrence by the Borrower of any liability with respect to a complete or partial withdrawal (within the meanings of Sections 4203 and 4205 of ERISA, respectively) by the Borrower or any ERISA Affiliate from a Multiemployer Plan or the receipt by the Borrower of any notification that a Multiemployer Plan is or is expected to be insolvent within the meaning of Title IV of ERISA; (d) the filing of a notice by the plan administrator of the intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate under Section 4042 of ERISA, any Pension Plan or Multiemployer Plan; (e) the imposition of any Lien on the assets of the Borrower pursuant to Section 430(k) of the Code or Section 303 of ERISA; or (f) the institution of a proceeding by a fiduciary of any Pension Plan or Multiemployer Plan to enforce Section 515 or 4219(c)(5) of ERISA which is not dismissed within 30 days.

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

“Euro” means the single currency of the participating member states of the European Union.

**“EURIBOR Rate” means, with respect to any Eurocurrency Rate Borrowing denominated in Euros and for any Interest Period, the EURIBOR Screen Rate, two TARGET Days prior to the commencement of such Interest Period.**

**“EURIBOR Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as published at approximately 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.**

“Eurocurrency Rate” means, (a) with respect to any Eurocurrency Rate Loan (except for those denominated in Canadian Dollars, **Euros** or any other non-LIBOR Quoted Currency), for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for such Agreed Currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case the “LIBO Screen Rate”) at approximately 11:00 a.m., London time, on the day of commencement of such Interest Period for Eurocurrency Rate Loan denominated in Pounds Sterling, and at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period for Eurocurrency Rate Loans denominated in all other relevant currencies; **provided**, that if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; **provided, further**, that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “**Impacted Interest Period**”) then the Eurocurrency Rate shall be the applicable Interpolated Rate; **provided, further**, that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement, (b) with respect to any Eurocurrency Rate Loan denominated in Canadian Dollars, for any Interest Period, the CDOR Rate; **provided**, that if the CDOR Screen Rate shall not be available at such time for such Interest Period, then the Eurocurrency Rate shall be the applicable Interpolated Rate; **provided, further**, that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement, (c) with respect to any Eurocurrency Rate Loan denominated in **Euros, for any Interest Period, the EURIBOR Screen Rate; provided that if the EURIBOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided further that if the EURIBOR Screen Rate shall not be available at such time for such Interest Period, then the Eurocurrency Rate shall be the applicable Interpolated Rate; provided, further, that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement, (d) with respect to any Eurocurrency Rate Loan denominated in** Australian Dollars, for any Interest Period, the Australian Bank Bill Swap Reference Rate (Bid) administered by the Australian Stock Exchange (or any other Person which takes over the administration of such rate) for the relevant period displayed at 10:30 a.m. (Sydney Australia time) on the first day of such Interest Period on the Thomson Reuters screen BBSY page (or its successor or equivalent page) for a term equivalent to such Interest Period (such rate, the “AUD Screen Rate”); **provided**, that if such rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement, **provided, further**, that if the AUD Screen Rate shall not be available at such time for such Interest Period, then the Eurocurrency Rate shall be the applicable Interpolated Rate; **provided, further**, that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement, **(d)** with respect to any

Eurocurrency Rate Loan denominated in Singapore Dollars, for any Interest Period, the SIBOR Rate; provided, that if the SIBOR Screen Rate shall not be available at such time for such Interest Period, then the Eurocurrency Rate shall be the applicable Interpolated Rate; provided, further, that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement and (ef) with respect to any Eurocurrency Rate Loan denominated in any non-LIBOR Quoted Currency (other than Canadian Dollars, Euros, Australian Dollars or Singapore Dollars), for any Interest Period, the rate per annum as reasonably designated by the Administrative Agent with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the applicable Lenders, provided, that if such rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Eurocurrency Rate Loan” means a Loan that bears interest at a rate based on the Eurocurrency Rate, other than any ABR Loan that bears interest determined by reference to the Eurocurrency Rate.

“Event of Default” has the meaning specified in Section 8.01.

“Exchange Act” means the Securities Exchange Act of 1934.

“Exchange Rate” means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into U.S. Dollars, last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Thomson Reuters Corp. (“Reuters”) source on the Business Day (New York City time) immediately preceding the date of determination (upon written request on the date of determination, in each instance, the Administrative Agent shall endeavor to deliver to the Borrower a confirmation of such Reuters source) or if such services ceases to be available or ceases to provide a rate of exchange for purchase of U.S. Dollars with the Foreign Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (upon written request on the date of determination, in each instance, the Administrative Agent shall endeavor to deliver to the Borrower a confirmation of such other service) or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in U.S. Dollars as determined by the Administrative Agent using any method of determination it deems appropriate to determine such rate (upon written request on the date of determination, in each instance, the Administrative Agent shall endeavor to deliver to the Borrower of a notice setting forth the basis for such determination), in its sole discretion.

“Excluded Earnout” means any obligations of the Borrower or any Subsidiary to pay additional consideration in connection with any Acquisition, if such additional consideration is payable (i) in capital stock or other equity interests or (ii) in cash or in capital stock or other equity interests (at the option of the Borrower or such Subsidiary).

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower or any Designated Borrower hereunder: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized, in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, or (ii) imposed as a result of a present or former connection with the jurisdiction imposing such Taxes (other than a connection arising solely from such recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction in accordance with the terms of this Agreement or any other Loan Document); (b) in the case of an Administrative Agent or a Lender, any U.S. federal withholding Tax that is imposed on amounts payable to or for the account of such Administrative Agent or Lender pursuant to Laws in effect at the time (i) such Administrative Agent or Lender (other than an assignee pursuant to a request by the Borrower or any Designated Borrower under Section 11.13) becomes a party hereto or (ii) in the case of any Lender, such Lender designates a new Lending Office, except in each case to the extent that such Administrative Agent or Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower or any Designated Borrower with respect to such withholding Tax pursuant to Section 3.01(a); (c) in the case of a Lender who is an assignee (other than an assignee pursuant to a request by the

Borrower or any Designated Borrower under Section 11.13) of a Loan made to a Designated Borrower, any withholding Tax that is imposed on amounts payable to or for the account of such Lender by such Designated Borrower pursuant to Laws in effect at the time such Lender becomes a party hereto, except to the extent that such Lender's assignor was entitled at such time to receive additional amounts from such Designated Borrower with respect to such withholding Tax pursuant to Section 3.01(a); (d) any Taxes attributable to the Administrative Agent's or a Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.01(e) or Section 3.01(h); and (e) any Taxes imposed pursuant to FATCA.

"Existing Credit Agreement" means that certain Credit Agreement dated as of November 20, 2014 (as amended on November 5, 2016), among the Borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.

"Existing Indebtedness" has the meaning specified in Section 7.04(b).

"Existing Letter of Credit" means each of the Letters of Credit set forth on Schedule 2.15.

"Existing Maturity Date" has the meaning specified in Section 2.17(a).

"Extending Lender" has the meaning specified in Section 2.17(b).

"Extension Request" has the meaning specified in Section 2.17(a).

"FATCA" means sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b) of the Code, and any law, regulation, rule, promulgation, guidance notes, practices or official agreement implementing an official intergovernmental agreement with respect to the foregoing.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it; provided, that, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

**"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 each Adjusted Daily Simple RFR. For the avoidance of doubt the initial Floor for each Adjusted Daily Simple RFR shall be 0.00%.**

"Foreign Currencies" means Agreed Currencies other than U.S. Dollars.

"Foreign Currency Payment Office" of the Administrative Agent shall mean, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by it, in the case of the Administrative Agent by notice to the Borrower, each Designated Borrower and each Lender.

"Foreign Lender" means, as to the Borrower or any Designated Borrower, any Lender that is a resident for applicable tax purposes in, or organized under the laws of, a jurisdiction other than that in which the Borrower or such Designated Borrower, as the case may be, is resident for applicable tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

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

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term “Guarantee” shall not include endorsements for collection or deposit, in either case in the ordinary course of business, or contingent or inchoate indemnity obligations in effect on the Closing Date or entered into in connection with any Acquisition or Disposition (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“HMRC DT Treaty Passport scheme” means the Board of H.M. Revenue and Customs Double Taxation Treaty Passport scheme.

“IBA” has the meaning specified in Section 1.07.

“Impacted Interest Period” has the meaning specified in the definition of “Eurocurrency Rate”.

“Increase Effective Date” has the meaning specified in Section 2.12(d).

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP: (a) all obligations of such Person for borrowed money, including that evidenced by bonds, debentures, notes, loan agreements or other similar instruments (for the avoidance of doubt, other than any obligations related to Swap Contracts, contingent obligations and other obligations covered elsewhere in this definition); (b) all direct or contingent obligations of such Person arising under letters of credit, bankers’ acceptances, bank guaranties, surety bonds and similar instruments; (c) net obligations of such Person under any Swap Contract; (d) all obligations of such Person to pay the deferred purchase price of property or services (other than in the ordinary course of business and other than any Excluded Earnout); (e)

indebtedness secured by a Lien on property owned by such Person, whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; (f) Attributable Indebtedness in respect of capital leases; and (g) all Guarantees of such Person in respect of any of the foregoing. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or a Designated Borrower hereunder or under any other Loan Document and (b) Other Taxes, in each case excluding any Bank Levy (or any payment attributable to a Bank Levy).

“Indemnitees” has the meaning specified in Section 11.04(b).

“Index Debt Rating” means, for Moody’s or S&P, its public rating for senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement or, if no such rating is available, (x) its public corporate family rating of the Borrower (in the case of Moody’s) or (y) its public corporate rating of the Borrower (in the case of S&P).

“Information” has the meaning specified in Section 11.07.

“Interest Payment Date” means, (a) as to any Loan other than an ABR Loan or a RFR Loan, the last day of each Interest Period applicable to such Loan, and the Maturity Date; provided, however, that if any Interest Period for a Eurocurrency Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; (b) as to any ABR Loan (other than a Swingline Loan), the last Business Day of each March, June, September and December and the Maturity Date; ~~and~~ (c) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and the Maturity Date and (d) as to any Swingline Loan, the day that such Loan is required to be repaid.

“Interest Period” means, as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one, ~~two~~, three or six months thereafter, as selected by the Borrower or the applicable Designated Borrower in its Loan Notice, or such other period that is twelve months or less requested by the Borrower or such Designated Borrower and agreed to by all Lenders; provided that: (a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day; (b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and (c) no Interest Period shall extend beyond the Maturity Date.

“Interpolated Rate” means, at any time, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate, EURIBOR Screen Rate, CDOR Screen Rate, AUD Screen Rate or SIBOR Screen Rate, as applicable, for the longest period (for which that LIBO Screen Rate, EURIBOR Screen Rate, CDOR Screen Rate, AUD Screen Rate or SIBOR Screen Rate, as applicable, is available for the applicable Agreed Currency) that is shorter than the Impacted Interest Period and (b) the LIBO Screen Rate, EURIBOR Screen Rate, CDOR Screen Rate, AUD Screen Rate or SIBOR Screen Rate, as applicable, for the shortest period (for which that LIBO Screen Rate, EURIBOR Screen Rate, CDOR Screen Rate, AUD Screen Rate or SIBOR Screen Rate, as applicable, is available for the applicable Agreed Currency) that exceeds the Impacted Interest Period, in each case, at such time, provided that if the Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“IRS” means the United States Internal Revenue Service.

“Issuing Bank” means each of JPMorgan Chase Bank, N.A., Barclays Bank PLC, BNP Paribas, Branch Banking and Trust Company and Royal Bank of Canada and other financial institutions selected by the Arrangers in consultation with the Borrower, each in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.15(j). An Issuing Bank may arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank acceptable to the Borrower, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each Issuing Bank hereunder shall only be obligated to issue Letters of Credit in an aggregate stated amount not to exceed the amount set forth opposite the name of such Issuing Bank on Schedule 2.01. Notwithstanding anything herein to the contrary, no Issuing Bank or any of its branches or Affiliates shall be required to issue any commercial letters of credit hereunder.

“ITA” means the United Kingdom Income Tax Act 2007.

“Joinder Agreement” means a joinder agreement entered into by a Designated Borrower in substantially the form of Exhibit F or any other form approved by the Administrative Agent and the Borrower.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower and the applicable Designated Borrowers at such time. The LC Exposure of any Lender at any time shall be its Revolving Percentage of the total LC Exposure at such time.

“LCA Election” has the meaning specified in Section 1.06.

“LCA Test Date” has the meaning specified in Section 1.06.

“Lender” has the meaning specified in the introductory paragraph hereto. Unless the context otherwise requires, the term “Lender” includes the Swingline Lenders and the Issuing Banks.

“Lender Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“Leverage Ratio” means, as of any date of determination, the ratio of (a) without duplication, the principal amount of (x) all Indebtedness of the Borrower and its Subsidiaries of the type referred to in clause (a) of the definition of “Indebtedness” set forth herein (excluding any intercompany obligations) and (y) unreimbursed letters of credit, in each case, on such date, to (b) Consolidated EBITDA of the Borrower and its Subsidiaries for the four consecutive fiscal quarters of the Borrower most recently ended as of such date of determination.

“LIBO Screen Rate” has the meaning specified in the definition of “Eurocurrency Rate”.

“LIBOR Quoted Currency” means U.S. Dollars, ~~Euro~~, Pounds Sterling, ~~Swiss Francs~~ and each other Agreed Currency (excluding, for the avoidance of doubt, Euros and Swiss Francs), in each case, as long as there is a published LIBOR Screen Rate with respect thereto.

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

“Limited Condition Acquisition” means any Acquisition by the Borrower or one or more of its Subsidiaries that is permitted hereunder and for which the consummation thereof is not conditioned on the availability of, or on obtaining, third-party financing.

“Loan” means an extension of credit by a Lender to the Borrower or any Designated Borrower under Article II of this Agreement. For the avoidance of doubt, the Loans shall include the Term Loans, Revolving Loans and the Swingline Loans.

“Loan Documents” means this Agreement, any Notes and any Joinder Agreements that have not been terminated pursuant to Section 11.18.

“Loan Notice” means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A.

“Loan Parties” means the Borrower and each of its Subsidiaries that is a party to a Loan Document.

“Local Time” means (a) in the case of a Loan, Borrowing or LC Disbursement denominated in U.S. Dollars, New York City time, and (b) in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency, local time (it being understood that such local time shall mean New York City time unless otherwise notified by the Administrative Agent).

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the results of operations, business, properties, or financial condition of the Borrower and its Subsidiaries taken as a whole; or (b) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or any Designated Borrower of any Loan Document to which it is a party.

“Maturity Date” means the later of (a) November 6, 2023 and (b) if maturity is extended pursuant to Section 2.17, such extended maturity date as determined pursuant to such Section; provided, however, that if such date is not a Business Day, the Maturity Date shall be the immediately preceding Business Day.

“Maximum Rate” has the meaning specified in Section 11.09.

“Moody’s” means Moody’s Investors Service, Inc. and any affiliate thereof and any successor thereto that is a nationally-recognized rating agency.

“Multiemployer Plan” means any “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA and to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Note” means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit B.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower and/or the Designated Borrowers arising under any Loan Document or otherwise with respect to any Loan or reimbursement obligation of the Borrower and/or the Designated Borrowers in respect of a Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising (including, in the case of the Borrower, its obligations pursuant to the guarantee contained in Article X).

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement (or equivalent comparable constitutive documents with respect to any non-U.S. jurisdiction); and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Taxes” means all present or future stamp, documentary or excise taxes or any other similar charges or levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document; provided that Other Taxes shall exclude any Taxes imposed with respect to an assignment (other than an assignee pursuant to a request by the Borrower or any Designated Borrower under Section 11.13) to the extent such Taxes are imposed as a result of a present or former connection between the assignor or assignee and the jurisdiction imposing such Taxes (other than a connection arising solely from the assignor or assignee having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction in accordance with the terms of this Agreement).

“Outstanding Amount” means, with respect to any Lender at any time, the sum of (a) the aggregate outstanding principal amount of Revolving Loans at such time after giving effect to any borrowings and prepayments or repayments of Revolving Loans plus (b) its LC Exposure at such time plus (c) its Swingline Exposure at such time.

“Participant” has the meaning specified in Section 11.06(d).

“Participant Register” has the meaning specified in Section 11.06(d).

“Patriot Act” has the meaning specified in Section 11.17.

“PBGC” means the Pension Benefit Guaranty Corporation.

“PCAOB” means the Public Company Accounting Oversight Board.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five years.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA), other than a Multiemployer Plan, that is maintained or sponsored by the Borrower.

“Plan Asset Regulations” means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

“Platform” means IntraLinks or another similar electronic system.

“Pounds Sterling” means the lawful currency of the United Kingdom.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A., as its prime rate in effect at its office located at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Quotation Day” means, with respect to any Eurocurrency Rate Loan for any Interest Period, (i) if the currency is Pounds Sterling or Canadian Dollars, the first day of such Interest Period, (ii) if the currency is Euro, two Business Days before the first day of such Interest Period, (iii) for any other currency, two Business Days prior to the first day of such Interest period (unless, in each case, market practice differs in the relevant market where the Eurocurrency Rate for such currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days)).

“Refinancing” means the repayment in full of all amounts outstanding, and the termination of the commitments, under the Existing Credit Agreement.

“Refunded Swingline Loans” has the meaning specified in Section 2.14(b).

“Register” has the meaning specified in Section 11.06(c).

“Registered Public Accounting Firm” has the meaning specified in the Securities Laws and shall be independent of the Borrower as prescribed by the Securities Laws.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, members, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Required Lenders” means, as of any date of determination, Lenders having more than 50% of the sum of (i) the aggregate amount of the unused Revolving Commitments then in effect, (ii) the Total Outstandings at such time and (iii) the aggregate principal amount of Term Loans outstanding at such time; provided that the Commitment of, and the portion of the Total Outstandings and Term Loans outstanding at such time held or deemed to be held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, chief accounting officer, controller or executive vice president of the Borrower (or, with respect to a Designated Borrower, of such Designated Borrower) and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the Borrower (or, with respect to a Designated Borrower, of such Designated Borrower) so designated by any of the foregoing officers in the corporate banking resolutions delivered as of the Closing Date pursuant to Section 4.01(a)(iii) (or, with respect to a

Designated Borrower, as of the applicable Designated Borrower Closing Date pursuant to Section 4.03(c) to the Administrative Agent, and as modified from time to time to specify other authorized officers or employees, provided that a certified copy of such modified resolutions is promptly delivered to the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower (or, with respect to a Designated Borrower, of such Designated Borrower) shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower (or, with respect to a Designated Borrower, of such Designated Borrower) and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower (or, with respect to a Designated Borrower, of such Designated Borrower).

“Revolving Commitment” means, as to any Revolving Lender, the obligation of such Revolving Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal amount and/or face amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Revolving Lender’s name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Revolving Lender became a party hereto, as the same may be changed from time to time pursuant to the terms and conditions hereof. The aggregate principal amount of the Revolving Commitments on the Closing Date is \$1,750,000,000.

“Revolving Facility” means the Revolving Commitments and Revolving Loans.

“Revolving Lender” means each Lender that holds a Revolving Commitment or has a Revolving Loan.

“Revolving Loan” means any Loan made in respect of a Revolving Commitment.

“Revolving Percentage” means with respect to any Revolving Lender at any time, the percentage (carried out to the ninth decimal place) of the aggregate Revolving Commitments represented by such Revolving Lender’s Revolving Commitment at such time; provided that in the case of Section 2.16 when a Defaulting Lender shall exist, “Revolving Percentage” shall mean the percentage of the total Revolving Commitments (disregarding any Defaulting Lender’s Revolving Commitment) represented by such Revolving Lender’s Revolving Commitment. If the commitment of each Lender to make Revolving Loans has been terminated pursuant to Section 8.02 or if the Revolving Commitments have expired, then the Revolving Percentage of each Revolving Lender shall be determined based on the Revolving Percentage of such Revolving Lender most recently in effect, giving effect to any subsequent assignments. The initial Revolving Percentage of each Revolving Lender is set forth opposite the name of such Revolving Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Revolving Lender becomes a party hereto, as applicable.

**“RFR” means, for any RFR Loan denominated in Swiss Francs, SARON.**

**“RFR Administrator” means the SARON Administrator.**

**“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.**

**“RFR Business Day” means, for any Loan denominated in Swiss Francs, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for the settlement of payments and foreign exchange transactions in Zurich.**

**“RFR Interest Day” has the meaning specified in the definition of “Daily Simple RFR”.**

**“RFR Loan” means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.**

“S&P” means Standard & Poor’s Ratings Services and any affiliate thereof and any successor thereto that is a nationally-recognized rating agency.

“Sale Lease-Back Transaction” means any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of the Borrower of any property which has been or is to be sold or transferred by the Borrower or such Subsidiary to such Person with the intention of taking back a lease of such property.

“Sanctioned Country” means, at any time, a country or territory which is, or whose government is, itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or by the United Nations Security Council, the European Union or any EU member state, Her Majesty’s Treasury of the United Kingdom, Canada or other relevant sanctions authority, (b) any Person located, operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons listed in clauses (a), (b) or (d) or (d) any Person that is the subject or target of any Sanctions.

“Sanctions” mean economic or financial sanctions or trade embargoes imposed, restrictive measures enacted, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any EU member state, Her Majesty’s Treasury of the United Kingdom, Canada or other relevant sanctions authority.

“Sarbanes-Oxley” means the Sarbanes-Oxley Act of 2002.

“SARON” means, with respect to any Business Day, a rate per annum equal to the Swiss Average Rate Overnight for such Business Day published by the SARON Administrator on the SARON Administrator’s Website.

“SARON Administrator” means the SIX Swiss Exchange AG (or any successor administrator of the Swiss Average Rate Overnight).

“SARON Administrator’s Website” means SIX Swiss Exchange AG’s website, currently at <https://www.six-group.com>, or any successor source for the Swiss Average Rate Overnight identified as such by the SARON Administrator from time to time.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“SEC Reports” means the annual, regular, periodic and special reports that the Borrower has filed with the SEC under Section 13 or 15(d) of the Exchange Act.

“Securities Act” means the Securities Act of 1933.

“Securities Laws” means the Securities Act, the Exchange Act, Sarbanes-Oxley and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the PCAOB.

“Senior Managing Agents” means Bank of America, N.A., Citigroup Global Markets Inc., Credit Agricole, Corporate and Investment Bank, DBS Bank Ltd., KeyBank National Association, Lloyds Bank Corporate Markets, PNC Bank, National Association, Societe Generale and The Bank of New York Mellon.

“SIBOR Rate” means, for any Loans denominated in Singapore Dollars, the SIBOR Screen Rate.

“SIBOR Screen Rate” means, with respect to any Interest Period, the rate administered by the Association of Banks in Singapore (or any other Person that takes over the administration of such rate) for

Singapore Dollars with a tenor equal to such Interest Period displayed on page ABSFIX01 of the Reuters screen (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen or service that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion) at or about 12:00 noon (London time) on the Quotation Day for such Interest Period, provided, that if any SIBOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Significant Subsidiary” means, at any time, any Designated Borrower or any other Subsidiary that satisfies the criteria for a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof. Such determination shall be made in relationship to the Borrower and its Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year on an annual basis at the time that the annual financial statements for the Borrower and its Subsidiaries are delivered pursuant to Section 6.01(a).

“Singapore Dollars” means the lawful currency of Singapore.

“Specified Indebtedness” has the meaning specified in Section 8.01(e).

“Specified Representations” means the representations and warranties (in each case, solely as they relate to the Borrower) contained in Sections 5.01, 5.02(a), 5.02(b) (solely as it relates to any Law), 5.04, 5.05(b), 5.09, and 5.10.

“Specified Time” means (i) in relation to a Loan in Canadian Dollars, as of 11:00 a.m. Toronto, Ontario time; (ii) in relation to a Loan in any Agreed Currency other than Canadian Dollars, as of 11:00 a.m. London time.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any similar master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swingline Exposure” means, at any time, the sum of the aggregate amount of all outstanding Swingline Loans at such time. The Swingline Exposure of any Revolving Lender at any time shall be the sum of (a) its Revolving Percentage of the aggregate amount of all outstanding Swingline Loans at such time (except to the extent such Revolving Lender has failed to fund its Swingline Participation Amount when required under Section 2.14(c)) and (b) if such Lender shall be a Swingline Lender, the principal amount of all Swingline Loans made by such Lender outstanding at such time (to the extent that the other Revolving Lenders shall not have funded their Swingline Participation Amount when required under Section 2.14(c)).

“Swingline Lender” means each Lender that has made a Swingline Loan pursuant to Section 2.13.

“Swingline Loan” means a Loan made pursuant to Section 2.13.

“Swingline Participation Amount” has the meaning specified in Section 2.14(c).

“Swingline Sublimit” means \$200,000,000.

“Swiss Francs” means the lawful currency of Switzerland.

“Syndication Agents” means Barclays Bank PLC, BNP Paribas Securities Corp, BB&T Capital Markets and RBC Capital Markets.

“TARGET” means the Trans-European Automated Real-time Gross Settlement Express Transfer (~~TARGET~~**TARGET2**) payment system (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in Euro.

**TARGET Day means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.**

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

“Term Commitment” means, as to any Lender, the obligation of such Lender, if any, to make a Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Term Commitment” opposite such Lender’s name on Schedule 2.01. The aggregate principal amount of the Term Commitments on the Closing Date is \$750,000,000.

“Term Lender” means each Lender that has a Term Commitment or that holds a Term Loan.

“Term Loan” has the meaning specified in Section 2.01.

“Term Percentage” means, as to any Term Lender at any time, the percentage which such Lender’s Term Commitment then constitutes of the aggregate Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender’s Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding).

“Threshold Amount” means \$200,000,000.

“Total Outstandings” means the aggregate Outstanding Amount of each Lender.

“Transition Period” means the period of four consecutive fiscal quarters commencing on (and including) the first day of the fiscal quarter during which the Borrower or any of its Subsidiaries consummates an Acquisition.

“Type” means, with respect to a Loan, its character as an ABR Loan, [RFR Loan](#) or a Eurocurrency Rate Loan.

“UK Borrower” means any Borrower (i) that is organized or formed under the laws of the United Kingdom or (ii) payments from which under this Agreement or any other Loan Document are subject to withholding Taxes imposed by the laws of the United Kingdom.

“UK Non-Bank Lender” means a Lender which states in writing in Schedule 2.01 on the date this Agreement is entered into that it is a UK Non-Bank Lender for the purposes of this Agreement.

“UK Qualifying Lender” means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document and is (a) a Lender: (i) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Loan Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or (ii) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or (b) a Lender which is: (i) a company resident in the United Kingdom for United Kingdom tax purposes; or (ii) a partnership each member of which is: (1) a company so resident in the United Kingdom; or (2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; (c) a UK Treaty Lender; or (d) a Lender which is a building society (as defined for the purposes of section 880 of the ITA).

“UK Tax Confirmation” means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document is either: (a) a company resident in the United Kingdom for United Kingdom tax purposes; or (b) a partnership each member of which is: (i) a company so resident in the United Kingdom; or (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

“UK Tax Deduction” means a deduction or withholding for or on account of Tax imposed by the United Kingdom from a payment under a Loan Document.

“UK Treaty Lender” means a Lender which: (i) is treated as a resident of a UK Treaty State for the purposes of a UK Treaty; (ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender’s participation in the Loan is effectively connected; and (iii) fulfils any conditions which must be fulfilled under that UK Treaty for residents of the relevant UK Treaty State to obtain full exemption from tax imposed by the United Kingdom on interest payable to that Lender in respect of an advance under a Loan Document, including the completion of any necessary procedural formalities.

“UK Treaty State” means a jurisdiction having a double taxation agreement (a “UK Treaty”) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

“Unfunded Pension Liability” means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding such Pension Plan.

“United States” and “U.S.” mean the United States of America.

“U.S. Dollar” and “\$” mean lawful money of the United States.

“VAT” means (i) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (ii) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

“wholly owned” means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding equity interests of which (other than (x) director’s qualifying shares and (y) shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly owned Subsidiaries of such Person.

“Withholding Agent” means the Borrower, any Designated Borrower and the Administrative Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

“Yen” means the lawful currency of Japan.

**1.02 Other Interpretive Provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” The word “or” shall not be exclusive. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

### 1.03 Accounting Terms.

(a) **Generally.** All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the most recent annual financing statements delivered on or prior to the Closing Date or delivered pursuant to Section 6.01(a), except as otherwise specifically prescribed herein (provided that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at “fair value”, as defined therein).

(b) **Changes in GAAP.** **If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, at the reasonable request of the Required Lenders or at the election of the Borrower, at any time after such amendment has been requested but prior to the effectiveness of such amendment, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP for a period up to two fiscal quarters (for the avoidance of doubt, if such amendment is not effective by the end of the two fiscal quarter period, then the Borrower shall nonetheless report under GAAP, as amended, until such amendment).**

(c) **Consolidation of Variable Interest Entities.** All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB Interpretation No. 46 (revised December 2003) Consolidation of Variable Interest Entities as if such variable interest entity were a Subsidiary as defined herein.

1.04 **Rounding.** Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

1.06 **Limited Condition Acquisitions.** Notwithstanding anything in this Agreement to the contrary, when (a) determining compliance with any provision of this Agreement which requires the calculation of the Leverage Ratio, (b) determining compliance with any provision of this Agreement which requires that no Default or Event of Default has occurred, is continuing or would result therefrom,

(c) determining compliance with any provision of this Agreement which requires compliance with any representations and warranties set forth herein or (d) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated Net Tangible Assets), in each case in connection with a Limited Condition Acquisition (other than, for the avoidance of doubt, in connection with a borrowing under the existing Revolving Facility), the date of determination of such ratio or other provisions, determination of whether any Default or Event of Default has occurred, is continuing or would result therefrom, determination of compliance with any representations or warranties or the availability under any baskets shall, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "LCA Election", which LCA Election may be in respect of one or more of clauses (a), (b), (c) and (d) above), be deemed to be the date the definitive agreements (or other relevant definitive documentation) for such Limited Condition Acquisition are entered into (the "LCA Test Date"). If on a *pro forma* basis after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence or issuance of Indebtedness and the use of proceeds thereof), with such ratios and other provisions calculated as if such Limited Condition Acquisition or other transactions had occurred at the beginning of the period of four consecutive fiscal quarters of the Borrower most recently ended prior to the LCA Test Date for which internal financial statements are available (as determined in good faith by the Borrower), the Borrower could have taken such action on the relevant LCA Test Date in compliance with the applicable ratios or other provisions, such provisions shall be deemed to have been complied with, unless an Event of Default pursuant to Section 8.01(a) or Section 8.01(f) shall be continuing on the date such Limited Condition Acquisition is consummated. For the avoidance of doubt, (i) if, following the LCA Test Date, any of such ratios or other provisions are exceeded or breached as a result of fluctuations in such ratio (including due to fluctuations in Consolidated EBITDA or other components of such ratio (including due to fluctuations of the target of any Limited Condition Acquisition)) or other provisions at or prior to the consummation of the relevant Limited Condition Acquisition, such ratios and other provisions will not be deemed to have been exceeded or failed to have been satisfied as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition is permitted hereunder and (ii) such ratios and compliance with such conditions shall not be tested at the time of consummation of such Limited Condition Acquisition. If the Borrower has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratio, basket availability or compliance with any other provision hereunder (other than actual compliance with the financial covenant set forth in Section 7.06) on or following the relevant LCA Test Date and prior to the earliest of the date on which such Limited Condition Acquisition is consummated or the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio, basket or compliance with any other provision hereunder shall be calculated on a *pro forma* basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence or issuance of Indebtedness and the use of proceeds thereof) had been consummated on the LCA Test Date.

**1.07 Interest Rates; LIBOR Notification.** The interest rate on Eurocurrency Rate Loans is determined by reference to the LIBO Screen Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Rate Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances as set forth in Section 3.03(b) of this Agreement, such Section 3.03(b) provides a mechanism for determining an alternative rate of interest. The

Administrative Agent will notify the Borrowers, pursuant to Section 3.03, in advance of any change to the reference rate upon which the interest rate on Eurocurrency Rate Loans is based. However, the Administrative 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 London interbank offered rate or other rates in the definition of "LIBO Screen Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 3.03(b), will be similar to, or produce the same value or economic equivalence of, the LIBO Screen Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

## ARTICLE II. THE COMMITMENTS AND CREDIT EXTENSIONS

### 2.01 Commitments.

(a) **Subject to the terms and conditions hereof, each Term Lender severally agrees to make a term loan (a "Term Loan") in U.S. Dollars to the Borrower on the Closing Date in an amount not to exceed the amount of the Term Commitment of such Lender. Amounts borrowed under this Section 2.01(a) and, paid or prepaid may not be reborrowed.**

(b) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving loans (each such loan, a "Revolving Loan") in Agreed Currencies to the Borrower or a Designated Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing, (x) the Dollar Amount of the aggregate Outstanding Amounts of the Revolving Lenders shall not exceed the total Revolving Commitments, and (y) the Dollar Amount of the Outstanding Amount with respect to the Revolving Loans of any Revolving Lender shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower or a Designated Borrower may borrow under this Section 2.01(b), prepay under Section 2.03(a), and reborrow under this Section 2.01(b). Loans may be ABR Loans, RFR Loans or Eurocurrency Rate Loans, as further provided herein.

### 2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the Borrower's or a Designated Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone in the case of Loans denominated in U.S. Dollars. Each such notice must be received by the Administrative Agent not later than, (i) 1:00 p.m., Local Time, ~~(i)~~ three Business Days (or, in the case of any request for conversion made on or before the Closing Date, two Business Days) prior to the requested date of any Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in U.S. Dollars or of any conversion of Eurocurrency Rate Loans denominated in U.S. Dollars to ABR Loans, (ii) 1:00 p.m., Local Time three Business Days prior to the requested date of any Borrowing or continuation of Eurocurrency Rate Loans denominated in a Foreign Currency and ~~(iii)(other than Euros), (iii) 1:00 p.m. New York City time three Business Days prior to the requested date of any Borrowing or continuation of Eurocurrency Rate Loans denominated in Euros, (iv) 1:00 p.m., New York City time, five RFR Business Days before the date of the requested Borrowing in the case of an RFR Borrowing denominated in Swiss Francs and (v)~~ on the requested date of any Borrowing of ABR Loans; provided, however, that if the Borrower or such Designated Borrower wishes to request Eurocurrency Rate Loans having an Interest Period other than one, ~~two~~, three or six months in duration as provided in the definition

of “Interest Period”, the applicable notice must be received by the Administrative Agent not later than 1:00 p.m., Local Time, four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Lenders of the Class of Loans so requested of such request and determine whether the requested Interest Period is available to all of them. Not later than 12:00 noon, Local Time, three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower or the applicable Designated Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders of such Class. Each telephonic notice by the Borrower or a Designated Borrower pursuant to this [Section 2.02\(a\)](#) must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower or such Designated Borrower. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in U.S. Dollars shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, or if the remaining amount available under the Commitments of a Class is less than \$5,000,000, in multiples of \$1,000,000. Each Borrowing or continuation of Eurocurrency Rate Loans denominated in a Foreign Currency shall be in a principal amount of the smallest amount of such Foreign Currency that has an Equivalent Amount in excess of \$5,000,000 or a whole multiple of the smallest amount of such Foreign Currency that has an Equivalent Amount in excess of \$1,000,000 or, if the remaining amount available under the Commitments of a Class is less than such minimum amount, in a whole multiple of the smallest amount of such Foreign Currency that has an Equivalent Amount in excess of \$1,000,000. Each Borrowing of or conversion to ABR Loans **or RFR Loans** shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, or if the remaining amount available under the Commitments of a Class is less than \$5,000,000, in multiples of \$1,000,000. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower or the applicable Designated Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurocurrency Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Class and Type of Loans to be borrowed or to which existing Loans are to be converted, (v) if applicable, the duration of the Interest Period and the Agreed Currency with respect thereto and (vi) whether the Loan is a Revolving Loan or a Term Loan. If the Borrower or the applicable Designated Borrower fails to specify a Type of Loan in a Loan Notice or if the Borrower or such Designated Borrower fails to give a timely notice requesting a conversion or continuation, then (i) in the case of a Borrowing denominated in U.S. Dollars, the applicable Loans shall be made as, or converted to, ABR Loans ~~and~~, (ii) in the case of a Borrowing denominated in a Foreign Currency **(other than Swiss Francs)**, such Borrowing shall be made as a Eurocurrency Rate Loan in the same Agreed Currency with an Interest Period of one month **and (iii) in the case of a Borrowing denominated in Swiss Francs, such Borrowing shall be made as an RFR Loan in Swiss Francs**. Any such automatic conversion to ABR Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If the Borrower or a Designated Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each applicable Lender of the amount of its Term Percentage or Revolving Percentage, as applicable, of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower or the applicable Designated Borrower, the Administrative Agent shall notify each applicable Lender of the details of any automatic conversion to ABR Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent’s Office not later than 2:00 p.m., Local Time, on the Business Day specified in the applicable Loan Notice; provided that Swingline Loans shall be made as provided in [Section 2.13](#). Upon satisfaction of the applicable conditions set forth in [Section 4.02](#) or, if such Borrowing is the initial Borrowing, [Section 4.01](#), the Administrative Agent shall make all funds so received available to the Borrower or the applicable Designated Borrower, as applicable, in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower or such Designated Borrower, as applicable, on the books of the Administrative Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower or such Designated Borrower;

provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.15(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency Rate Loan. During the existence of an Event of Default pursuant to Section 8.01(a) or Section 8.01(f), no Loans may be requested as, converted to or continued as Eurocurrency Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower or the applicable Designated Borrower, as applicable, and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that ABR Loans are outstanding, the Administrative Agent shall notify the Borrower or the applicable Designated Borrower, as applicable, and the Lenders of any change in the Prime Rate used in determining the ABR promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten Interest Periods in effect with respect to Loans.

(f) This Section 2.02 shall not apply to Borrowings of Swingline Loans, which may not be converted or continued.

(g) Each Lender may, at its option, make any Loan available to any Borrower or any Designated Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make such Loan; provided that, unless otherwise provided in this agreement, any exercise of such option shall not affect the obligation of such Borrower or such Designated Borrower to repay such Loan in accordance with the terms of this Agreement.

### 2.03 Prepayments.

(a) The Borrower or a Designated Borrower may, upon notice to the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lenders), at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than, ~~(A) 12:00 noon, New York City time,~~ ~~(A) three Business Days prior to any date of prepayment of Eurocurrency Rate Loans~~ **and, (B) 12:00 noon, New York City time** on the date of prepayment of ABR **Loans and (C) 12:00 noon, New York City time, five RFR Business Days prior to any date of prepayment of RFR** Loans; (ii) any prepayment of Eurocurrency Rate Loans denominated in U.S. Dollars shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; (iii) any prepayment of Eurocurrency Rate Loans denominated in a Foreign Currency shall be in a principal amount of not less than the smallest amount of such Foreign Currency that has an Equivalent Amount in excess of \$5,000,000 and in an whole multiple of the smallest amount of such Foreign Currency that has an Equivalent Amount in excess of \$1,000,000; and (iv) any prepayment of ABR Loans **or RFR Loans** shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurocurrency Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower or a Designated Borrower, the Borrower or such Designated Borrower, as applicable, shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) **If at any time the Dollar Amount of the Total Outstandings exceeds an amount equal to 105% of the Aggregate Commitments of Revolving Lenders, the Borrower (or a Designated Borrower) shall prepay the Loans and/or cash collateralize Letters of Credit by the amount of such excess.**

**2.04 Termination or Reduction of Commitments.** The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Commitments of Revolving Lenders, or from time to time permanently reduce the Aggregate Commitments of Revolving Lenders; provided that (i) any such notice shall be received by the Administrative Agent not later than 12:00 noon, New York City time, five Business Days prior to the date of termination or reduction, (ii) any such reduction shall be in an aggregate amount of \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding, and (iii) the Borrower shall not terminate or reduce the Aggregate Commitments of Revolving Lenders if, after giving effect thereto and to any concurrent prepayments hereunder, the Dollar Amount of the Total Outstandings would exceed the Aggregate Commitments of Revolving Lenders. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments of Revolving Lenders. Any reduction of the Aggregate Commitments of Revolving Lenders shall be applied to the Commitment of each Lender according to its Applicable Percentage. All interest and fees accrued until the effective date of any termination of the Aggregate Commitments of Revolving Lenders shall be paid on the effective date of such termination. Each reduction of the Aggregate Commitments of Revolving Lenders shall be made ratably among the Classes in accordance with the percentage which the aggregate amount of Commitments of each Class then constitutes of the Aggregate Commitments of Revolving Lenders then in effect and modified by the Administrative Agent to account for rounding adjustments. Each reduction of the Aggregate Commitments of Revolving Lenders of any Class shall be made ratably among the Lenders within such Class in accordance with their respective Commitments in respect of such Class. For the avoidance of doubt, a notice of termination or reduction of the Aggregate Commitments of Revolving Lenders delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other transactions, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. The Term Commitments will terminate on the Closing Date.

#### **2.05 Repayment of Loans.**

(a) The Term Loan of each Term Lender shall mature in twenty (20) consecutive quarterly installments, each of which shall be in an amount equal to such Lender's Term Percentage multiplied by the amount set forth below opposite such installment, and the Borrower shall make each such payment on the date set forth below:

<u>Installment</u>	<u>Principal Amount</u>
December 31, 2018	\$0
March 31, 2019	\$0
June 30, 2019	\$0
September 30, 2019	\$0
December 31, 2019	\$9,375,000
March 31, 2020	\$9,375,000
June 30, 2020	\$9,375,000
September 30, 2020	\$9,375,000
December 31, 2020	\$9,375,000
March 31, 2021	\$9,375,000
June 30, 2021	\$9,375,000
September 30, 2021	\$9,375,000
December 31, 2021	\$9,375,000
March 31, 2022	\$9,375,000
June 30, 2022	\$9,375,000
September 30, 2022	\$9,375,000
December 31, 2022	\$9,375,000
March 31, 2023	\$9,375,000
June 30, 2023	\$9,375,000
September 30, 2023	\$9,375,000

The balance of the Term Loans shall be repaid on the Maturity Date.

(b) Each of the Borrower and the Designated Borrowers shall repay to the Revolving Lenders on the Maturity Date the aggregate principal amount of Revolving Loans outstanding to it on such date.

(c) Each of the Borrower and the Designated Borrowers shall repay to the Swingline Lenders the then unpaid principal amount of each Swingline Loan in accordance with Section 2.13(b).

## 2.06 Interest.

(a) **Subject to the provisions of subsection (b) below, (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Margin; and (ii) each ABR Loan (including each Swingline Loan) shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the ABR plus the Applicable Margin and (iii) each RFR Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Margin.**

(b) If any amount of principal of any Loan is not paid when due (after giving effect to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such past due amount shall thereafter bear interest at a fluctuating interest rate per annum equal to the Default Rate to the fullest extent permitted by applicable Laws.

(c) If any amount (other than principal of any Loan) payable by the Borrower or a Designated Borrower under any Loan Document is not paid when due (after giving effect to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such past due amount shall thereafter bear interest at a fluctuating interest rate per annum equal to the Default Rate to the fullest extent permitted by applicable Laws.

(d) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(e) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

## 2.07 Fees.

(a) **Commitment Fee.** The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Revolving Percentage, a commitment fee (the "**Commitment Fee**") equal to the actual daily amount by which the aggregate Revolving Commitments exceed the Total Outstandings at the applicable rate per annum set forth in the definition of "Applicable Margin" under the caption "Commitment Fee Rate", respectively, applicable on such date; provided that, in calculating the Total Outstandings for this purpose, the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero. The Commitment Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in **Article IV** is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and ending on the last day of the Availability Period. The Commitment Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Margin during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect.

(b) **Letter of Credit Fees.** The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender, a participation fee with respect to such Revolving Lender's participations in Letters of Credit, which shall accrue at the same Applicable Margin used to determine the interest rate applicable to Eurocurrency Rate Loans on the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit) during the period from and including the Closing Date to but excluding the later of the date on which (x) such Revolving Lender's Revolving Commitment terminates and (y) the date on which such Revolving Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank, a fronting fee, which shall accrue at the rate per annum of 0.125% on the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit) during the period from and including the Closing Date to but excluding the later of (A) the date of termination of the Revolving Commitments and (B) the date on which there ceases to be any LC Exposure in respect of such Issuing Bank, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable within 30 days after demand, commencing on the first such date to occur after the Closing Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 30 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) **Other Fees.**

(i) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any

other obligations contained therein. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(d) **Fees Generally.** All fees payable hereunder shall be paid on the dates due, in U.S. Dollars, in immediately available funds, to the Administrative Agent (or to an Issuing Bank, in the case of fees payable to it) for distribution, in the case of Commitment Fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

**2.08 Computation of Interest and Fees.** All computations of interest for ABR Loans when the ABR is determined by reference to the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but excluding the last day). All computations of interest for Eurocurrency Rate Loans denominated in Australian Dollars, Canadian Dollars, Pounds Sterling, or Singapore Dollars, shall be computed on the basis of a year of three hundred sixty-five (365) days, and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All other computations of fees and interest **(including with respect to interest computed with respect to the EURIBOR Rate or Daily Simple RFR with respect to Swiss Francs)** shall be made on the basis of a 360-day year and actual days elapsed (including the first day but excluding the last day) (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is repaid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. Any change in the interest rate on a Loan resulting from a change in the ABR shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall promptly notify the Borrower or the applicable Designated Borrower, as applicable, and the relevant Lenders of the effective date and the amount of each such change in interest rate.

**2.09 Evidence of Debt.** The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower or a Designated Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of any of the Borrower and the Designated Borrowers hereunder to pay any amount owing by it with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, each of the Borrower and the Designated Borrowers shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

## **2.10 Payments Generally; Administrative Agent's Clawback.**

(a) **General.** All payments to be made by the Borrower or a Designated Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by each of the Borrower and the Designated Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which

such payment is owed, (x) in the case of payments denominated in U.S. Dollars, at the Administrative Agent's Office and in immediately available funds not later than 2:00 p.m., Local Time, on the date specified herein and (y) in the case of payments denominated in a Foreign Currency, its Foreign Currency Payment Office for such Foreign Currency; provided that any payments to be made directly to each Issuing Bank or each Swingline Lender as expressly provided herein shall be made directly to the Persons entitled thereto. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein, including, in the case of prepayments of and interest on commitments, if the outstanding Loans are not ratable in proportion to the Applicable Percentages, to each Lender ratable based on the amount owed to it) with respect to payments received in respect of the Commitments in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m., Local Time, shall be deemed received on the next Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower or a Designated Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. All payments hereunder of principal or interest in respect of any Loan or LC Disbursement shall, except as otherwise expressly provided herein, be made in the currency of such Loan or LC Disbursement, and all other payments hereunder and under each other Loan Document shall be made in U.S. Dollars. Notwithstanding the foregoing provisions of this Section, if, after the making of any Borrowing or LC Disbursement in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such Foreign Currency with the result that such Foreign Currency no longer exists or the Borrower or the applicable Designated Borrower, as the case may be, is not able to make payment to the Administrative Agent for the account of the Lenders in such Foreign Currency, then all payments to be made by the Borrower or such Designated Borrower hereunder in such Foreign Currency shall instead be made when due in a currency that replaced such Foreign Currency or, if no such replacement currency exists, in U.S. Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower or such Designated Borrower takes all risks of the imposition of any such currency control or exchange regulations.

(b) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Rate Loans or RFR Loans (or, in the case of any Borrowing of ABR Loans, prior to 2:00 p.m., Local Time, on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of ABR Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower or the applicable Designated Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower or the applicable Designated Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower or such Designated Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the rate determined by the Administrative Agent in accordance with banking industry rules and conventions on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower or such Designated Borrower, the interest rate applicable to the applicable Loan or, if such payment is in U.S. Dollars, ABR Loans. If the Borrower or such Designated Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower or such Designated Borrower the amount of such interest paid by it for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower or a Designated Borrower shall be without prejudice to any claim the Borrower or such Designated Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(c) Payments by Borrower or any Designated Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower or the applicable

Designated Borrower, as applicable, prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower or such Designated Borrower will not make such payment, the Administrative Agent may assume that the Borrower or such Designated Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower or such Designated Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules and conventions on interbank compensation. Any payment by any Lender pursuant to this Section 2.10(c) shall be without prejudice to any claim such Lender or the Administrative Agent may have against the Borrower or the applicable Designated Borrower, as applicable, for having failed to make such payment to the Administrative Agent.

A notice of the Administrative Agent to any Lender, the Borrower or any Designated Borrower with respect to any amount owing under this Section 2.10(c) shall be conclusive, absent manifest error.

(d) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower or the applicable Designated Borrower, as applicable, by the Administrative Agent because the conditions to the applicable Borrowings set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender within one Business Day, without interest.

(e) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(f) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

**2.11 Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a proportion of the aggregate amount of such Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the applicable Loans and participations in LC Disbursements and Swingline Loans, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans and other amounts owing them, provided that: (i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant. The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender

acquiring a participation pursuant to the foregoing arrangements may exercise against each the Borrower and the Designated Borrowers rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower or such Designated Borrower in the amount of such participation.

## 2.12 Increase in Commitments.

(a) Request for Increase. Upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Borrower or a Designated Borrower may from time to time, request an increase in the Term Commitments and/or the Revolving Commitments by an aggregate amount (for all such requests) not exceeding the sum of (x) \$1,000,000,000 and (y) the amount of any voluntary prepayments of the Loans pursuant to Section 2.03(a) (provided that any such prepayment of Revolving Loans is accompanied by a permanent reduction of Revolving Commitments) to the extent not financed with the proceeds of long term indebtedness (other than revolving indebtedness); provided that any such request for an increase shall be in a minimum amount of \$50,000,000.

(b) Incremental Lenders. Such increased Commitments and/or increased Loans may be provided by existing Lenders or any other Person that constitutes an Eligible Assignee who becomes a Lender pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent; provided that the Administrative Agent shall have consented to the joinder of any such Person to the extent such consent would be required for an assignment to such Person pursuant to Section 11.06(b)(iii). No Lender shall be obligated to provide any such increased Commitment or Loan unless it so agrees.

(c) Increase Effective Date and Allocations. If the Term Commitments and/or the Revolving Commitments are increased in accordance with this Section, the Administrative Agent and the Borrower or the applicable Designated Borrower shall determine the effective date (the “Increase Effective Date”) and the final allocation of such increase among the Lenders (including any new Lenders) of such Class. The Administrative Agent shall promptly notify the Borrower or the applicable Designated Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date.

(d) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower or the applicable Designated Borrower shall deliver to the Administrative Agent a certificate dated as of the Increase Effective Date signed by a Responsible Officer (i) certifying and attaching the resolutions adopted by the Borrower or the applicable Designated Borrower approving or consenting to such increase and (ii) certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V (other than Section 5.05(b) and Section 5.06) and the other Loan Documents that are qualified by materiality shall be true and correct on and as of the Increase Effective Date, and such representations and warranties that are not qualified by materiality shall be true and correct in all material respects on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except that for purposes of this Section 2.12, the representations and warranties contained in Section 5.05(a) shall be deemed to refer to the most recent statements delivered pursuant to Section 6.01(a) (provided that if such increase is being incurred in connection with a Limited Condition Acquisition, the requirement in this clause (A) shall be limited to accuracy of customary “specified representations” in all material respects), and (B) no Event of Default pursuant to Section 8.01(a) or Section 8.01(f) exists; provided that, in the case of any increased Term Commitments and/or Revolving Commitments incurred to finance an Acquisition permitted hereunder, the foregoing conditions shall be subject only to customary “certain funds” requirements if agreed to by the lenders providing such increased Term Commitments and/or Revolving Commitments, as applicable. Upon the Increase Effective Date, the existing Revolving Lenders shall assign Revolving Loans to certain other Revolving Lenders, and such other Revolving Lenders shall purchase such Revolving Loans, in each case to the extent necessary so that all of the Revolving Lenders participate in each outstanding borrowing of Revolving Loans pro rata on the basis of their respective Applicable Percentages (after giving effect to any increase in the aggregate Revolving Commitments pursuant to this Section 2.12).

(e) **Conflicting Provisions.** Without the consent of any other Lender, this Agreement may be amended as may be necessary or appropriate, in the reasonably opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.12. This Section shall supersede any provisions in Section 2.11 or 11.01 to the contrary.

### 2.13 **Swingline Loans.**

(a) Subject to the terms and conditions hereof, from time to time during Availability Period, any Lender may make a portion of the credit otherwise available to the Borrower or a Designated Borrower under the Revolving Commitments by making swing line loans (“Swingline Loans”) in U.S. Dollars to the Borrower or a Designated Borrower; **provided** that (i) the sum of (x) the aggregate principal amount of outstanding Swingline Loans made by such Swingline Lender, (y) the aggregate principal amount of outstanding Revolving Loans made by such Swingline Lender (in its capacity as a Revolving Lender) and (z) the LC Exposure of such Swingline Lender (in its capacity as a Revolving Lender) shall not exceed its Revolving Commitment then in effect, (ii) the sum of the outstanding Swingline Loans shall not exceed the Swingline Sublimit and (iii) the Borrower or a Designated Borrower shall not request, and no Swingline Lender shall make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Outstanding Amounts in respect of all Revolving Commitments would exceed the aggregate amount of the Revolving Commitments; **provided, further**, that no Lender shall be obligated to make any Swingline Loan. During the Availability Period, the Borrower or a Designated Borrower may use the Swingline Sublimit by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

(b) The Borrower or the applicable Designated Borrower shall repay to each Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date of the Revolving Loans and upon the request of such Swingline Lender (which shall not in any event be earlier than five Business Days after such Swingline Loan is made); **provided** that on each date that a Revolving Loan is borrowed, the Borrower or the applicable Designated Borrower shall repay all Swingline Loans then outstanding and the proceeds of any such Revolving Loans shall be applied by the Administrative Agent to repay any Swingline Loans outstanding.

### 2.14 **Procedure for Swingline Borrowing; Refunding of Swingline Loans.**

(a) Whenever the Borrower or a Designated Borrower desires that a Lender make Swingline Loans it shall give the Administrative Agent and such Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by such Swingline Lender not later than 1:00 p.m., New York City time, on the proposed borrowing date), specifying (i) the amount to be borrowed and (ii) the requested borrowing date (which shall be a Business Day during the Availability Period). Each borrowing under the Swingline Sublimit shall be in an amount equal to \$500,000 or a whole multiple of \$100,000 in excess thereof. Not later than 3:00 p.m., New York City time, on the borrowing date specified in a notice in respect of Swingline Loans, the applicable Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Swingline Loan to be made. The Administrative Agent shall make the proceeds of such Swingline Loans available to the Borrower or the applicable Designated Borrower on such borrowing date by depositing such proceeds in the account of the Borrower or the applicable Designated Borrower with the Administrative Agent on such borrowing date in immediately available funds.

(b) Each Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower or a Designated Borrower (each of which hereby irrevocably directs the Swingline Lenders to act on its behalf), on one Business Day’s notice given by such Swingline Lender no later than 12:00 noon, New York City time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender’s Revolving Percentage of the aggregate amount of the Swingline Loans made by such Swingline Lender (the “Refunded Swingline Loans”) outstanding on the date of such notice, to repay the applicable Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 a.m., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the applicable Swingline Lender for application by such Swingline Lender to the repayment of the Refunded Swingline Loans.

The Borrower or the applicable Designated Borrower irrevocably authorizes each Swingline Lender to charge the Borrower's or the applicable Designated Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.14(b), one of the events described in Section 8.01(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by such Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.14(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.14(b), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the applicable Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans of such Swingline Lender then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after a Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, such Swingline Lender receives any payment on account of the Swingline Loans, such Swingline Lender will distribute to such Lender its ratable portion of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by such Swingline Lender is required to be returned, such Revolving Lender will return to such Swingline Lender any portion thereof previously distributed to it by such Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.14(b) and to purchase participating interests pursuant to Section 2.14(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower or a Designated Borrower may have against such Swingline Lender, the Borrower or a Designated Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 4.02, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or a Designated Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, a Designated Borrower any other Loan Party or any other Revolving Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

## 2.15 Letters of Credit.

(a) **General.** Subject to the terms and conditions set forth herein (including the execution of customary fee letter(s) between the Borrower and the Issuing Bank requested to issue the applicable Letter of Credit with respect to the fronting fees referenced in Section 2.07(b)), the Borrower or a Designated Borrower (provided that the Borrower irrevocably agrees to be bound jointly and severally to reimburse the applicable Issuing Bank for amounts drawn on any Letter of Credit issued for the account of such Designated Borrower) may request the issuance of Letters of Credit denominated in Agreed Currencies, if available to the applicable Issuing Bank, as the applicant thereof for the support of its or its Subsidiaries' obligations, in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the Availability Period; provided that no Issuing Bank shall be under any obligation to issue any Letter of Credit if such Letter of Credit would violate any applicable Law or any bona fide policy of such Issuing Bank. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower or a Designated

Borrower to, or entered into by the Borrower or a Designated Borrower with, the applicable Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Each Existing Letter of Credit as of the Closing Date shall be deemed to be a Letter of Credit issued hereunder.

(b) **Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions.** To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower or a Designated Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to such Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no less than three Business Days) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower or the applicable Designated Borrower shall also submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower or the applicable Designated Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, subject to Sections 2.03 and 2.16, (i) the Dollar Amount of the LC Exposure shall not exceed \$100,000,000; and (ii) the Dollar Amount of the sum of the Outstanding Amounts in respect of all Revolving Commitments shall not exceed the aggregate amount of the Revolving Commitments.

(c) **Expiration Date.** Each Letter of Credit shall expire (or be subject to termination by notice from the applicable Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date of the Revolving Loans of such Issuing Bank; provided that any Letter of Credit that shall expire pursuant to clause (i) of this Section 2.15(c) may provide for the renewal thereof for additional one-year periods (which in no event shall extend beyond the date specified in clause (ii) of this Section 2.15(c)).

(d) **Participations.** By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Revolving Lenders, such Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Revolving Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Revolving Lender's Revolving Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower or the applicable Designated Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower or such Designated Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) **Reimbursement.** If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower or the applicable Designated Borrower, as applicable, shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement in U.S. Dollars (i) not later than 12:00 noon, Local Time, on the Business Day immediately following the day that the Borrower or such Designated Borrower, as applicable, received such notice, if the Borrower or such Designated Borrower, as applicable, receives such notice not later than 11:00 a.m., Local Time, or (ii) not later than 12:00 noon, Local Time, on the second Business Day immediately following the day that the Borrower or such Designated Borrower, as applicable, receives such notice, if the Borrower or such Designated Borrower, as applicable, receives such notice after 11:00 a.m., Local Time; provided that if such LC Disbursement is denominated in U.S. Dollars and is not less than \$100,000, the Borrower or the applicable Designated Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.02(b) or 2.14 that such payment be financed with a Borrowing of ABR Loans or a Swingline Loan in the Dollar Amount of such LC Disbursement and, to the extent so financed, the Borrower's or such Designated Borrower's obligation to make such payment shall be discharged and replaced by the resulting Borrowing of ABR Loans or a Swingline Loan. If the Issuing Bank makes any LC Disbursement in Foreign Currency, the Borrower or the applicable Designated Borrower, as applicable, shall pay the Administrative Agent for each Letter of Credit the amount of each LC Disbursement made by the Issuing Bank under the Letter of Credit, on demand, the U.S. Dollar equivalent of the amount computed at the Issuing Bank's selling rate, as of the date of the Borrower's or the applicable Designated Borrower's payment, for cable transfers of such Foreign Currency to the place of payment; provided, further, that if, for any reason, the Issuing Bank has no selling rate for cable transfers of that currency to such place on the payment date, the Borrower or the applicable Designated Borrower, as applicable, shall pay the Administrative Agent an amount in U.S. Dollars equivalent to the Issuing Bank's actual cost of settlement of its obligation. The Borrower's or the applicable Designated Borrower's, as applicable, obligation to make payments in any currency (the "Contract Currency") shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment or otherwise, that is expressed in or converted into any currency other than the Contract Currency, except to the extent that such tender or recovery results in the actual receipt by the Administrative Agent at its designated office of the full amount of the Contract Currency specified to be payable hereunder. The Borrower's or the applicable Designated Borrower's, as applicable, obligation to make payments in the Contract Currency shall be enforceable as an alternative or additional cause of action to the extent that such actual receipt is less than the full amount of the Contract Currency specified to be payable hereunder, and shall not be affected by judgment being obtained for other sums due hereunder. The Borrower or the applicable Designated Borrower, as applicable, shall indemnify the Issuing Bank for any shortfall in such actual receipt. If the Borrower or the applicable Designated Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower or such Designated Borrower in respect thereof and such Revolving Lender's Revolving Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Revolving Percentage of the payment then due from the Borrower or the applicable Designated Borrower (which, for the avoidance of doubt, in the case of any LC Disbursement in a Foreign Currency shall be paid in U.S. Dollars in accordance with the foregoing provisions of this Section 2.15(e)), in the same manner as provided in Section 2.02(b) with respect to Revolving Loans made by such Revolving Lender (and Section 2.10 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower or a Designated Borrower

**pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank, as applicable. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of ABR Loans or a Swingline Loan as contemplated above) shall not constitute a Revolving Loan and shall not relieve the Borrower or the applicable Designated Borrower of its obligation to reimburse such LC Disbursement.**

(f) Obligations Absolute. The Borrower's and each applicable Designated Borrower's obligations to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's or such Designated Borrower's obligations hereunder. Neither the Administrative Agent, the Revolving Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Borrower or the applicable Designated Borrower, as applicable, to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower and each Designated Borrower to the extent permitted by applicable law) suffered by the Borrower or any Designated Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. An Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent, the Borrower or the applicable Designated Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower or such Designated Borrower, as applicable, of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower or the applicable Designated Borrower shall reimburse such LC Disbursement in full by the time specified in paragraph (e) of this Section, the unpaid amount thereof shall bear interest, for each day from and including such date to but excluding the date that the Borrower or such Designated Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans (or, if such LC Disbursement is denominated in a Foreign Currency, the rate determined by the Administrative Agent in

accordance with banking industry rules and conventions on interbank compensation for such Foreign Currency plus the then effective Applicable Margin with respect to Eurocurrency Rate Loans or RFR Loans, as applicable); provided that if the Borrower or such Designated Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.06(b) shall apply. Interest accrued pursuant to this paragraph shall be for the account of such Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Revolving Lender to the extent of such payment.

(i) Replacement of an Issuing Bank. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank or in accordance with Section 11.13. The Administrative Agent shall notify the Revolving Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrower and each applicable Designated Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.07(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower or a Designated Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Revolving Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower or such Designated Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders, an amount in cash or provide a "back-to-back" letter of credit or alternative collateral as the Administrative Agent may approve in its sole discretion in good faith, equal to the LC Exposure owing by it as of such date plus any accrued and unpaid interest thereon; provided that the obligation of the Borrower or any Designated Borrower to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower or such Designated Borrower described in Section 8.01(f). Such deposit shall be held by the Administrative Agent as collateral for so long as specified in this paragraph for the payment and performance of the obligations of the Borrower or such Designated Borrower, as applicable, under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's or the applicable Designated Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower or the applicable Designated Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrower or each Designated Borrower, as applicable, under this Agreement; provided, however, that if prior to the acceleration of the maturity of the Loans the LC Exposure shall cease to exist, moneys in such account shall be returned to the Borrower and the applicable Designated Borrowers as provided below. If the Borrower or a Designated Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower or such applicable Designated Borrower, as applicable, within three Business Days after the earlier of (a) all Events of Default having been cured or waived or (b) the LC Exposure ceasing to exist.

**2.16 Defaulting Lenders.** Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

- (a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.07(a);
- (b) the Commitment and Outstanding Amount and outstanding Term Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 11.01); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby;
- (c) with respect to any Revolving Lender becoming a Defaulting Lender, if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:
  - (i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Percentages but only to the extent that (x) the sum of all non-Defaulting Lenders' Outstanding Amounts under such Revolving Commitments plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments and (y) the conditions set forth in Section 4.02 are satisfied at such time;
  - (ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower and the applicable Designated Borrowers shall within one Business Day following notice by the Administrative Agent, (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Banks only the obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.15(j) for so long as such LC Exposure is outstanding;
  - (iii) if the Borrower or a Designated Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower or such Designated Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.07(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;
  - (iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.07(a) and Section 2.07(b) shall be adjusted in accordance with such non-Defaulting Lenders' Revolving Percentages; and
  - (v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.07(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and
- (d) so long as such Lender is a Defaulting Lender, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders that are Revolving Lenders and/or cash collateral will be provided by the Borrower and the applicable Designated Borrowers in accordance with Section 2.16(c), and participating interests in any newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders that are Revolving Lenders in a manner consistent with Section 2.16(c)(i) (and such Defaulting Lender shall not participate therein).

In the event that the Administrative Agent and the Borrower and, with respect to a Revolving Lender that is a Defaulting Lender, the Swingline Lenders and the Issuing Banks each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the relevant Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment (if any) and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Revolving Percentage or Applicable Percentage, as the case may be. Subject to Section 11.19, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

## 2.17 Extension of Maturity Date.

(a) Requests for Extension. The Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) (each such notice, an "Extension Request"), from time to time, request that the scheduled maturity date then in effect hereunder (the "Existing Maturity Date") with respect to all or a portion of the Term Loans and/or Revolving Facility be extended on the terms set forth in this Section 2.17; provided that each such Extension Request shall be offered to all Lenders holding Loans and/or Commitments of the applicable Class on a pro rata basis. The Extension Request shall set forth the proposed terms of the extended Term Loans and/or extended Revolving Facility, as applicable, which shall be consistent with the then-existing Term Loans and/or Revolving Facility except that (i) all or any of the scheduled amortization payments of principal of any extended Term Loans may be delayed to later dates than the scheduled amortization payments of principal of the then-existing Term Loans, (ii) the interest margins and upfront fees with respect to the extended Term Loans and/or extended Revolving Commitments and extended Revolving Loans may be different than the Applicable Margin and any upfront fees for the existing Term Loans or Revolving Facility, as applicable, (iii) the extended Term Loans may participate on a pro rata basis or a less than pro rata basis (but not a greater than pro rata basis) in any voluntary or mandatory repayments or prepayments under this Agreement and (iv) the extended Term Loans and/or extended Revolving Facility may be subject to different covenants and terms that apply only after the Existing Maturity Date.

(b) Lender Elections to Extend. The Borrower shall provide notice of the applicable Extension Request to the Administrative Agent at least five (5) Business Days prior to the date on which Lenders under the applicable Class are requested to respond. No Lender shall have any obligation to agree to extend the Existing Maturity Date with respect to any of its Term Loans and/or Revolving Facility. Any Lender wishing to extend the Existing Maturity Date with respect to all or a portion of its Term Loans and/or Revolving Commitments and Revolving Loans, as applicable (such Lender, and "Extending Lender"), shall notify the Administrative Agent on or prior to the date specified in the Extension Request of the amount of its existing Term Loans and/or Revolving Commitments, as applicable, which it has elected to so extend. In the event that the aggregate amount of Term Loans and/or Revolving Commitments, as applicable, that are elected to be extended exceeds the amount of extended Term Loans and/or Revolving Commitments, as applicable, requested by the Borrower in the applicable Extension Request, (i) the Term Loans of Extending Lenders shall be extended on a pro rata basis based on the amount of Term Loans each such Extending Lender has elected to extend and (ii) the Revolving Commitments of Extending Lenders shall be extended on a pro rata basis based on the amount of Revolving Commitments each such Extending Lender has elected to extend. Following any extension, the LC Exposure shall continue to be held ratably among the Revolving Lenders, but on the Maturity Date applicable to the Revolving Loans of any non-Extending Lender, the LC Exposure of such Non-Extending Lender shall be ratably reallocated, to the extent of the unused Revolving Commitments of the Extending Lenders, to such Extending Lenders (without regard to whether the conditions set forth in Section 4.02 can then be satisfied) and the Borrower and the applicable Designated Borrowers shall cash collateralize the balance of such LC Exposure in accordance with Section 2.15(j).

(c) Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, the extension of the Maturity Date pursuant to this Section shall not be effective with respect to any Lender unless: (i) no Event of Default pursuant to Section 8.01(a) or Section 8.01(f) shall have occurred and be continuing

on the date of such extension and after giving effect thereto; and (ii) the representations and warranties contained in this Agreement that are qualified by materiality shall be true and correct on and as of the date of such extension and after giving effect thereto, and such representations and warranties that are not qualified by materiality shall be true and correct in all material respects on and as of the date of such extension and after giving effect thereto, in each case as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, true and correct in all material respects as of such specific date (provided, that such materiality qualifier shall not be applicable to any representation or warranty that already is qualified or modified by materiality in the text thereof) and, for purposes of this Section 2.17, the representations and warranties contained in Section 5.05(a) shall be deemed to refer to the most recent statements delivered pursuant to Section 6.01(a)).

(d) Conflicting Provisions. The Borrower may, with the consent of the Extending Lenders and the Administrative Agent (but without the consent of any other Lender), amend this Agreement as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.17. This Section 2.17 shall supersede any provisions in Section 2.11 or 11.01 to the contrary.

**2.18 Determination of Dollar Amounts.** The Administrative Agent will determine the Dollar Amount of:

(a) (i) each Eurocurrency Rate Loan as of the date two Business Days prior to the date of such Borrowing or, if applicable, the date of conversion or continuation of any Borrowing as a Eurocurrency Rate Loan and (ii) each RFR Loan denominated in Swiss Francs as of the date five RFR Business Days prior to the date of such Borrowing;

(b) the LC Exposure as of the date of each request for the issuance of any Letter of Credit; and

(c) all outstanding Loans and the LC Exposure on and as of the last Business Day of each calendar quarter and, during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its discretion or upon instruction by the Required Lenders.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a "Computation Date" with respect to each Borrowing, Letter of Credit or LC Exposure for which a Dollar Amount is determined on or as of such day.

**2.19 Judgment Currency.** If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due from the Borrower or a Designated Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which the Administrative Agent could, in accordance with normal banking procedures applicable to arm's length transactions, purchase the specified currency with such other currency at the Administrative Agent's main New York City office on the Business Day immediately preceding that on which final, non-appealable judgment is given. The obligations of the Borrower or the applicable Designated Borrower in respect of any sum due to any Credit Party hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Credit Party of any sum adjudged to be so due in such other currency such Credit Party may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Credit Party in the specified currency, the Borrower or the applicable Designated Borrower, as applicable, agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Credit Party against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Credit Party in the specified currency and (b) any amounts shared with other Lenders as a result of

allocations of such excess as a disproportionate payment to such Lender under Section 2.11, such Credit Party agrees to remit such excess to the Borrower or such Designated Borrower.

### ARTICLE III. TAXES, YIELD PROTECTION AND ILLEGALITY

#### 3.01 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower or a Designated Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any Taxes, except as required by applicable law, provided that if any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the Withholding Agent shall make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable shall be increased as necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made.

(b) Payment of Other Taxes by the Borrower or any Designated Borrower. Without limiting the provisions of subsection (a) above, the Borrower or the applicable Designated Borrower, as applicable, shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower and any Designated Borrower. The Borrower and the applicable Designated Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes imposed on or attributable to any amounts payable under any Loan Documents (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that such indemnity obligation shall not apply to any penalties, interest and expenses resulting from any gross negligence of a Lender or the Administrative Agent. A certificate as to the amount of such payment or liability delivered to the Borrower and any Designated Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes by the Borrower or a Designated Borrower to a Governmental Authority, the Borrower or such Designated Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent; provided that nothing in this Section 3.01(d) shall require the Borrower or such Designated Borrower to make available its tax returns.

(e) Status of Credit Parties.

(i) Any Credit Party that is entitled to an exemption from or reduction of withholding Tax under the law of the jurisdiction in which the Borrower or a Designated Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower or the applicable Designated Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such Designated Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower, such Designated Borrower or the Administrative Agent as will permit such payments to be

made without withholding or at a reduced rate of withholding. In addition, any Credit Party, if requested by the Borrower or a Designated Borrower, or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower, such Designated Borrower or the Administrative Agent as will enable the Borrower, such Designated Borrower or the Administrative Agent to determine whether or not such Credit Party is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A) through (D) below) shall not be required if the Credit Party reasonably determines that such completion, execution or submission would subject such Credit Party to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Credit Party.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower or a Designated Borrower is resident for U.S. tax purposes in the United States, any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be reasonably requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable: (A) duly completed originals of IRS Form W-8BEN or W-8BEN-E claiming eligibility for benefits of an income tax treaty to which the United States is a party, (B) duly completed originals of IRS Form W-8ECI, (C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E to the effect that such Foreign Lender is not a “bank” within the meaning of section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code and (y) duly completed originals of IRS Form W-8BEN or W-8BEN-E as appropriate, (D) to the extent a Foreign Lender is not the beneficial owner, duly completed originals of IRS Form W-8IMY, accompanied by the applicable IRS forms from each beneficial owner, and (E) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or such Designated Borrower to determine the withholding or deduction required to be made. Each Lender that is a “United States person” as defined in Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent duly completed originals of IRS Form W-9 on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent). Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall promptly update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower, each Designated Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (iii), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender has determined, in its sole discretion exercised in good faith, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or any Designated Borrower or with respect to which the Borrower or any Designated Borrower has paid additional amounts pursuant to this Section, it shall promptly pay to the Borrower or such Designated Borrower, as applicable, an amount

equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or such Designated Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Administrative Agent or such Lender, as the case maybe, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower or such Designated Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to it (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower, any Designated Borrower or any other Person.

(g) Indemnification by Lenders. Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that the Loan Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 3.01(g) shall be paid within 10 days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(h) The Administrative Agent shall deliver to the Borrower (in such number of copies as shall be reasonably requested by the Borrower) on or prior to the date on which the Administrative Agent becomes the administrative agent hereunder or under any other Loan Document (and from time to time thereafter upon the reasonable request of the Borrower) completed originals of either (A) IRS Form W-9 or (B) a U.S. branch withholding certificate on IRS Form W-8IMY evidencing its agreement with the Borrower to be treated as a U.S. person.

(i) **Additional United Kingdom Withholding Tax and VAT Matters.**

**(i) A payment shall not be increased under Section 3.01(a) above by reason of a UK Tax Deduction if, on the date on which the payment falls due:**

- (A) the payment could have been made to the relevant Lender without a UK Tax Deduction if the Lender had been a UK Qualifying Lender, but on that date that Lender is not or has ceased to be a UK Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or UK Treaty or any published practice or published concession of any relevant taxing authority; or
- (B) the relevant Lender is a UK Qualifying Lender solely by virtue of sub-section (b) of the definition of “UK Qualifying Lender” and:
  - (1) *an officer of HM Revenue & Customs has given (and not revoked) a direction (a “Direction”) under section 931 of the ITA which relates to the payment and that Lender has received from the Loan Party making the payment or from the Company a certified copy of that Direction; and*

- (2) *the payment could have been made to the Lender without any UK Tax Deduction if that Direction had not been made; or*
- (C) *the relevant Lender is a UK Qualifying Lender solely by virtue of paragraph (b) of the definition of “UK Qualifying Lender” and:*
- (i) the relevant Lender has not given a UK Tax Confirmation to the Company; and
  - (ii) the payment could have been made to the Lender without any UK Tax Deduction if the Lender had given a UK Tax Confirmation to the relevant Loan Party, on the basis that the UK Tax Confirmation would have enabled such Loan Party to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the ITA; or
- (D) *the relevant Lender is a UK Treaty Lender (or a Lender which would be a UK Treaty Lender upon the completion of all necessary procedural formalities) and the Loan Party making the payment is able to demonstrate that the payment could have been made to the Lender without the UK Tax Deduction had that Lender complied with its obligations under Sections 3.01(i)(ii) and Section 3.01(i)(iii) below.*

**(ii) Subject to (iii) below, and without limiting the effect of Section 3.01(e) above, each Lender which is a UK Treaty Lender (or a Lender which would be a UK Treaty Lender upon the completion of all necessary procedural formalities) and each UK Borrower which makes a payment to such Lender shall without unreasonable delay cooperate in completing any procedural formalities necessary for such UK Borrower to obtain authorization to make such payment without a UK Tax Deduction.**

**(iii) (A) A Lender on the Closing Date that (x) holds a passport under the HMRC DT Treaty Passport scheme and (y) wishes such scheme to apply to this Agreement, shall provide its scheme reference number and its jurisdiction of tax residence to each UK Borrower and the Administrative Agent in Schedule 2.01 hereto; and**

(B) a Lender which becomes a Lender hereunder after the day on which this Agreement closes that (x) holds a passport under the HMRC DT Treaty Passport scheme and (y) wishes such scheme to apply to this Agreement, shall provide its scheme reference number and its jurisdiction of tax residence to each UK Borrower and the Administrative Agent in the documentation which it executes on becoming a party as a Lender, and

(C) a Lender which (x) comes to hold a passport under the HMRC DT Treaty Passport scheme after the Closing Date or the Execution Date (as the case may be) and (y) wishes such scheme to apply to this Agreement, shall provide its scheme reference number and its jurisdiction of tax residence to each UK Borrower and the Administrative Agent as soon as reasonably possible following receipt of such scheme reference number.

(D) Upon satisfying any of clauses (A), (B) or (C) above, such Lender shall have satisfied its obligation under Section 3.01(i)(ii) above.

(iv) If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with Section 3.01 (i)(ii) above, the UK Borrower(s) shall promptly make a Borrower DTTP Filing with respect to such Lender, and shall without unreasonable delay provide such Lender with a copy of such filing; provided that, if:

(A) a UK Borrower making a payment to such Lender has not made a Borrower DTTP Filing in respect of such Lender; or

(B) a UK Borrower making a payment to such Lender has made a Borrower DTTP Filing in respect of such Lender but:

(1) such Borrower DTTP Filing has been rejected by HM Revenue & Customs; or

(2) HM Revenue & Customs has not given such UK Borrower authority to make payments to such Lender without withholding or deduction for Taxes or for withholding or deduction for Taxes at a reduced rate within 60 days of the date of such Borrower DTTP Filing;

and in each case, such UK Borrower shall notify that Lender in writing of either (1) or (2) above, then such Lender (if so notified) and such UK Borrower shall without unreasonable delay co-operate in completing any additional procedural formalities necessary for such UK Borrower to obtain authorization to make that payment without withholding or deduction for Taxes imposed under the laws of the United Kingdom.

(v) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with Section 3.01 (i)(i) above, no UK Borrower shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Loan unless the Lender otherwise agrees.

(vi) Each UK Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of such Borrower DTTP Filing to the Administrative Agent for delivery to the relevant Lender.

(vii) A UK Non-Bank Lender which is a party to this Agreement on the date of this Agreement, and which is listed as being a UK Non-Bank Lender in Schedule 2.01, gives a UK Tax Confirmation to any UK Borrower by entering into this Agreement. A UK Non-Bank Lender shall promptly notify any UK Borrower and the Administrative Agent if there is any change in the position from that set out in the UK Tax Confirmation.

(viii) Each Lender which becomes a party to this Agreement after the date of this Agreement shall indicate, in the documentation which it executes on becoming a Lender, which of the following categories it falls in in respect of a UK Borrower:

- (A) not a UK Qualifying Lender (save where it is only not a UK Qualifying Lender because the procedural formalities required for it to be a UK Treaty Lender have not been met);
- (B) a UK Qualifying Lender (other than a Lender falling within (C) below); or
- (C) a UK Treaty Lender (or a Lender which would be a UK Treaty Lender upon the completion of all necessary procedural formalities).

If a Lender fails to indicate its status in accordance with this paragraph (viii), then such Lender shall be treated for the purposes of this Agreement (including by each UK Borrower) as if it is not a UK Qualifying Lender until such time as it notifies the Administrative Agent which category applies (and the Administrative Agent, upon receipt of

such notification, shall inform each UK Borrower). For the avoidance of doubt, the documentation which a Lender executes on becoming a party to this Agreement shall not be invalidated by any failure of a Lender to comply with this paragraph (viii).

**(ix) Notwithstanding anything to the contrary herein, if a Lender assigns or transfers any of its rights or obligations with respect to a Loan or changes its Lending Office in respect of such Loan, and as a result of circumstances existing at the date the assignment, transfer or change occurs, a Loan Party would be obliged to make a payment to the successor or assign or Lender acting through its new Lending Office under Section 3.01(a) or (c) in respect of a UK Tax Deduction, then such successor or assign or Lender acting through its new Lending Office is only entitled to receive payment under those Sections to the same extent as the assigning or transferring Lender or Lender acting through its previous Lending Office would have been if the assignment, transfer or change had not occurred.**

**(x) Value added tax:**

- (A) All amounts expressed to be payable under any Loan Document by any Party to a Credit Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Credit Party to any Party under a Loan Document and such Credit Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Credit Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Credit Party must promptly provide an appropriate VAT invoice to that Party).
- (B) *If VAT is or becomes chargeable on any supply made by any Credit Party (the “Supplier”) to any other Credit Party (the “Recipient”) under a Loan Document, and any Party other than the Recipient (the “Relevant Party”) is required by the terms of any Loan Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):*
- (1) *(where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and*
- (2) *(where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.*
- (C) *Where a Loan Document requires any Party to reimburse or indemnify a Credit Party for any cost or expense, that Party shall reimburse or*

*indemnify (as the case may be) such Credit Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Credit Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.*

- (D) *In relation to any supply made by a Credit Party to any Party under a Loan Document, if reasonably requested by such Credit Party, that Party must promptly provide such Credit Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Credit Party's VAT reporting requirements in relation to such supply.*
- (E) Any reference in this Section 3.01(i)(x) (*Value Added Tax*) to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated as making the supply or (as appropriate) receiving the supply under the grouping rules (as provided for in Article 11 of the Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union or any other similar provision in any jurisdiction which is not a member state of the European Union)) (including, for the avoidance of doubt, in accordance with section 43 of the United Kingdom Value Added Tax Act 1994) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).

(xi) Each Lender shall notify the Borrower and Administrative Agent within a reasonable time if it determines in its sole discretion that it ceases to be entitled to claim the benefits of an income tax treaty to which the United Kingdom is a party with respect to payments made by any UK Borrower hereunder.

**3.02 Illegality.** If any Lender reasonably determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurocurrency Rate Loans **or RFR Loans**, or to determine or charge interest rates based upon the Eurocurrency Rate **or Daily Simple RFR**, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, the applicable Agreed Currency in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make **RFR Loans or make** or continue Eurocurrency Rate Loans or to convert ABR Loans to Eurocurrency Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower and each applicable Designated Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all affected Eurocurrency Rate Loans denominated in U.S. Dollars of such Lender to it to ABR Loans, and to repay all affected Eurocurrency Rate Loans **and RFR Loans** in any other Agreed Currency, either, **solely in the case of Eurocurrency Rate Loans**, on the last day of the Interest Period, therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or **in the case of Eurocurrency Rate Loans and RFR Loans**, immediately, if such Lender may not lawfully continue to maintain such ~~Eurocurrency Rate~~ Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. The Borrower shall have the rights in respect of any such Lender specified in Section 11.13.

**3.03 Inability to Determine Rates.** (a) If (i) the Required Lenders reasonably determine that for any reason in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof that (ix) deposits in the applicable currency are not being offered to banks in the London interbank eurocurrency market for the applicable amount and Interest Period of such Eurocurrency Rate Loan, (iiy) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan in a particular currency or (iiz) the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan in a particular currency does not adequately and fairly reflect the cost to such Lenders of funding such Loan or (ii) the Administrative Agent determines, or the Administrative Agent is advised by the Required Lenders that, at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR, Daily Simple RFR or RFR for the applicable Agreed Currency, the Administrative Agent will promptly so notify the Borrower, each applicable Designated Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurocurrency Rate Loans or RFR Loans in the applicable currency shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower and any applicable Designated Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans or RFR Loans (as applicable) in such currency or, failing that, in the case of any such Loans denominated in U.S. Dollars will be deemed to have converted such request into a request for a Borrowing of ABR Loans in the amount specified therein.

(b) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a)(iiz)(y) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(iiy) have not arisen but either (w) the supervisor for the administrator of the LIBO Screen Rate has made a public statement that the administrator of the LIBO Screen Rate is insolvent (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (x) the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (y) the supervisor for the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published or (z) the supervisor for the administrator of the LIBO Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate may no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the Eurocurrency Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin); provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 11.01, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 3.04(b), only to the extent the LIBO Screen Rate for the applicable currency and such Interest Period is not available or published at such time on a current basis), (x) any request for the conversion or continuation of any Eurocurrency Rate Loans shall be ineffective and (y) any request for a Borrowing of Eurocurrency Rate Loans denominated in U.S. Dollars shall be deemed to be a request for an ABR Loan. and solely with respect Eurocurrency Loans denominated in Euros and RFR Loans, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Amount of such Alternative Currency) immediately or (B) be prepaid in full immediately.

### 3.04 Increased Costs; Reserves on Eurocurrency Rate Loans.

(a) **Increased Costs Generally.** If any Change in Law shall (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)); (ii) subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for (a) Indemnified Taxes covered by Section 3.01 and (b) the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender); or (iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or participation therein; and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower or the applicable Designated Borrower, as applicable, will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered; provided that any such amount or amounts shall not be duplicative of any amounts to the extent otherwise paid by the Borrower under any other provision of this Agreement. The Borrower and each applicable Designated Borrower shall have the rights specified in Section 11.13 in respect of any Lender for whose account the Borrower or such Designated Borrower makes any payment under this Section 3.04.

(b) **Capital Requirements.** If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower or a Designated Borrower shall be conclusive absent manifest error. Such Lender shall also certify that it is generally charging such costs to similarly situated customers of the applicable Lender under agreements having provisions similar to this Section 3.04 after consideration of such factors as such Lender then reasonably determines to be relevant (which determination shall be made in good faith and not on an arbitrary or capricious basis). The Borrower or the applicable Designated Borrower, as applicable, shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's right to demand such compensation, provided that neither Borrower nor any Designated Borrower shall be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) **Reserves on Eurocurrency Rate Loans.** Each of the Borrower and the applicable Designated Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Rate funds or deposits (currently known as “Eurocurrency liabilities”), additional interest on the unpaid principal amount of each Eurocurrency Rate Loan made to it equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower or such Designated Borrower shall have received at least 10 days’ prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

**3.05 Compensation for Losses.** Upon (a) With respect to Loans that are not RFR Loans, upon demand of any Lender (with a copy to the Administrative Agent) from time to time, each of the Borrower and the applicable Designated Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of: **(a)** any continuation, conversion, payment or prepayment of any Loan made to it other than an ABR Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); **(b)** any failure by it (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than an ABR Loan on the date or in the amount notified by it; or **(c)** any assignment of a Eurocurrency Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by it pursuant to Section 11.13; excluding any loss of anticipated profits but including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Each of the Borrower and the applicable Designated Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing. For purposes of calculating amounts payable by the Borrower or any Designated Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the London interbank eurocurrency market for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan was in fact so funded.

(b) With respect to RFR Loans, upon demand of any Lender (with a copy to the Administrative Agent) from time to time, each of the Borrower and the applicable Designated Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the failure (for a reason other than the failure of such Lender to make a Loan) to borrow or prepay any RFR Loan on the date or in the amount notified by it, (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by it pursuant to Section 11.13; excluding any loss of anticipated profits but including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained and (iv) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error.

### 3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrower or a Designated Borrower is required to pay (or will be required to pay) any

additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04 as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower or a Designated Borrower is required to pay (or will be required to pay) any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrower may replace such Lender in accordance with Section 11.13.

**3.07 Survival.** All of the Borrower's and each Designated Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

**3.08 Issuing Banks.** Each Issuing Bank shall be deemed to be a Lender for purposes of this Article III.

#### **ARTICLE IV. CONDITIONS PRECEDENT**

**4.01 Conditions of Closing.** The obligation of each Lender to make its initial Loan and of each Issuing Bank to issue any Letters of Credit hereunder shall not become effective, and the Closing Date shall not occur, until the date on which each of the following conditions is satisfied:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of each of the Borrower and CWL (as applicable), each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Administrative Agent and each of the Lenders:

(i) executed original counterparts of this Agreement sufficient in number for distribution to the Administrative Agent and the Borrower and copies thereof sufficient in number for distribution to each Lender as of the Closing Date;

(ii) a Note executed by the Borrower in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower and CWL as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each of the Borrower and CWL is duly organized, and that each of the Borrower and CWL is validly existing and, in the case of the Borrower, in good standing;

(v) (a) a favorable written opinion of Latham & Watkins LLP, counsel to the Borrower, addressed to the Administrative Agent and each Lender and dated as of the Closing Date, covering such matters relating to the Borrower, this Agreement, or other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require and as are customarily required in similar transactions and (b) a favorable written opinion of Simpson Thacher & Bartlett LLP, special English law counsel to the Administrative Agent, addressed to the Administrative

Agent and each Lender and dated as of the Closing Date, covering such matters relating to CWL as the Administrative Agent may reasonably require and as are customarily required in similar transactions; and

(vi) a certificate signed by a Responsible Officer of the Borrower (on behalf of the Borrower) certifying that the representations and warranties that are qualified by materiality are true and correct and the representations and warranties that are not qualified by materiality are true and correct in all material respects as of the Closing Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (provided that such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality in the text thereof); and

(vii) a Loan Notice in accordance with the requirements hereof; provided that such Loan Notice may be delivered by 11:00 am New York City time on the date that is two Business Days prior to the Closing Date with respect to the Borrowing of Eurocurrency Rate Loans on the Closing Date.

(b) Any fees required to be paid to the Arrangers, the Administrative Agent and the Lenders on or before the Closing Date shall have been paid.

(c) The Administrative Agent shall have received reasonably satisfactory evidence that (i) there is no Indebtedness outstanding of Subsidiaries of the Borrower (other than permitted pursuant to Section 7.04) and (ii) the Borrower has no outstanding Indebtedness of the type set forth in clause (a) of the definition thereof (other than Indebtedness under this Agreement or the Notes).

(d) The Refinancing shall have been consummated.

(e) The Borrower and CWL, as applicable, shall have provided the documentation and other information to the Administrative Agent that are required by regulatory authorities under applicable “know your customer” rules and regulations, including the Patriot Act at least three Business Days prior to the Closing Date, to the extent requested at least five Business Days prior to the Closing Date.

(f) At least five days prior to the Closing Date, solely to the extent the Borrower or CWL, as applicable, qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, the Borrower and CWL shall deliver a Beneficial Ownership Certification.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender and Issuing Bank that has signed this Agreement (and each such Lender’s or Issuing Bank’s Affiliates, successors and/or assigns) shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender and Issuing Bank unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

**4.02 Conditions to all Borrowings after the Closing Date.** The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit, after the Closing Date is subject to the satisfaction of the following conditions precedent:

(a) **The representations and warranties of the Borrower and/or the applicable Designated Borrower contained in Article V (other than the representations and warranties contained in Sections 5.05(b) and 5.06(b)) or any other Loan Document that are qualified by materiality shall be true and correct on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, and the representations and warranties that are not qualified by materiality shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, except to the extent that such representations and warranties specifically refer to an earlier date, in which case**

**they shall be true and correct in all material respects as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in Section 5.05(a) shall be deemed to refer to the most recent statements delivered pursuant to Section 6.01(a).**

- (b) No Default shall exist, or would result from, such proposed Borrowing or from the application of the proceeds thereof.
- (c) The Administrative Agent shall have received a Loan Notice in accordance with the requirements hereof.

Each Loan Notice in respect of a Borrowing submitted by the Borrower or a Designated Borrower and each issuance, amendment, renewal or extension of a Letter of Credit after the Closing Date shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and Section 4.02(b) and have been satisfied on and as of the date of the applicable Borrowing or issuance, amendment, renewal or extension of such Letter of Credit.

Notwithstanding anything in this Section 4.02 to the contrary, if the Term Commitments and/or the Revolving Commitments are increased pursuant to Section 2.12, to the extent the proceeds thereof are to be used to finance an Acquisition permitted hereunder, the only conditions precedent to the funding of such increased Term Commitments and/or Revolving Commitments shall be the conditions precedent set forth in the related amendment and in Section 2.12(e).

**4.03 Conditions to Initial Borrowings by each Designated Borrower.** The agreement of each Lender to make a Loan on the occasion of any Borrowing to, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit for the account of, any Designated Borrower (other than CWL) hereunder is subject to the satisfaction, prior to or concurrently with the making of such extension of credit on the Designated Borrower Closing Date applicable to such Designated Borrower, of the following conditions precedent:

(a) **The conditions set forth in Section 4.01 shall have been satisfied prior to or concurrently with the conditions set forth in this Section 4.03 (provided that the conditions set forth in clauses (a)(iii), (iv), (v), (vi) and (vii) of Section 4.01 need only to have been satisfied as of the Closing Date) and the Borrower shall have given the Administrative Agent and to the Lenders at least 15 Business Days prior notice of such Designated Borrower Closing Date with reasonable details with respect thereto (including, without limitation, the jurisdiction of organization of such Designated Borrower).**

(b) The Administrative Agent shall have received a Joinder Agreement executed and delivered by the Borrower, the applicable Subsidiary and the Administrative Agent, providing for such Subsidiary to become a Designated Borrower.

(c) The Administrative Agent shall have received (i) a certificate of such Designated Borrower, dated such Designated Borrower Closing Date, substantially in the form of the certificates delivered by the Borrower on the Closing Date pursuant to Section 4.01(a)(iii) and (vi), with appropriate insertions and attachments, including corporate or other applicable resolutions, other corporate or other applicable documents and certificates in respect of such Designated Borrower substantially equivalent to comparable documents delivered on the Closing Date and (ii) such other documents with respect to such Designated Borrower as the Administrative Agent or the Required Lenders shall reasonably request.

(d) The Administrative Agent shall have received a legal opinion from counsel to such Designated Borrower in form and substance reasonably satisfactory to the Administrative Agent as to relevant matters covered generally in the opinions previously delivered pursuant to Section 4.01(a)(v) hereof and to such other matters as are customary for initial extensions of credit to a subsidiary borrower similar to the applicable Designated Borrower.

(e) After giving effect to any actions taken as contemplated by the immediately following sentence and **Section 3.01**, (i) if any such Designated Borrower is not a United States person for U.S. federal income tax purposes, payments to any Lender by such Designated Borrower shall not be subject to any withholding Taxes or Other Taxes and (ii) no Lender shall have given notice to the Administrative Agent that it has determined in good faith that it would be subject in making Loans or issuing Letters of Credit to such Designated Borrower to any regulatory or legal limitation or restriction applicable thereto or any material financial disadvantage (other than as referred to in the preceding **clause (i)**) arising out of or attributable to the location or jurisdiction of organization of such Designated Borrower or the nature of its activities and have given notice to such effect to the Administrative Agent. The Administrative Agent shall have the right to adjust the provisions of **Article II** as it may reasonably determine to enable the Lenders that are able to make Loans or issue Letters of Credit to such Designated Borrower without becoming subject to any such withholding Taxes or Other Taxes, such regulatory or any legal restriction or limitation or financial disadvantage, and without causing the Borrower or any Designated Borrower to incur any such disadvantages of its own (including any such disadvantage in the form of being required to indemnify Lenders for withholding payments including Taxes) to make Loans or issue Letters of Credit available to such Designated Borrower on a non-pro rata basis with Lenders that are not so able, with such adjustments to be made in a manner that, to the extent practicable, are reasonably equitable to all the Lenders.

(f) The Administrative Agent and each Lender shall have received all documentation and other information reasonably requested by the Administrative Agent or such Lender under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, at least three Business Days prior to the Designated Borrower Closing Date, to the extent requested at least ten Business Days prior to the Designated Borrower Closing Date.

(g) At least five days prior to the date of the initial Borrowing by such Designated Borrower, any such Designated Borrower that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation shall deliver a Beneficial Ownership Certification in relation to such Designated Borrower.

## **ARTICLE V. REPRESENTATIONS AND WARRANTIES**

The Borrower, and each Designated Borrower solely as to itself, represents and warrants to the Administrative Agent and the Lenders that:

**5.01 Existence, Qualification and Power.** The Borrower and each Designated Borrower (a) is duly organized, validly existing and (to the extent such concept is applicable) in good standing under the Laws of the jurisdiction of its incorporation or establishment and (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under the Loan Documents.

**5.02 Authorization; No Contravention.** The execution, delivery and performance by the Borrower and each Designated Borrower of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate action, and do not and will not contravene (a) the terms of any of the Borrower’s or any Designated Borrower’s Organizational Documents or (b) any Law or any material contractual restriction binding on or affecting it, except, in each case referred to in clause (b), to the extent such contravention could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

**5.03 Governmental Authorization; Other Consents.** No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other

Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower or any Designated Borrower of this Agreement or any other Loan Document other than any reports required to be filed by the Borrower with the SEC pursuant to the Exchange Act.

**5.04 Binding Effect.** This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Borrower and each Designated Borrower. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of the Borrower and each Designated Borrower, enforceable against the Borrower and each Designated Borrower in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, arrangement, moratorium and other similar laws affecting creditors' rights generally and to the application of general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

**5.05 Financial Statements; No Material Adverse Effect; Beneficial Ownership.**

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) Since December 31, 2017, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(c) As of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

**5.06 Litigation.** There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) purport to enjoin or restrain the execution or delivery of this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) except as disclosed in the SEC Reports as of the date hereof, either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

**5.07 Taxes.** As of the Closing Date the Borrower and its Subsidiaries have paid all tax liabilities, assessments and governmental charges and levies that are due and payable and that collectively are material to the Borrower and its Subsidiaries, taken as a whole, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP (or in accordance with generally accepted accounting principles in effect from time to time in such Borrower's or Subsidiary's jurisdiction of organization or tax residence, as applicable) and except to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

**5.08 ERISA Compliance.**

(a) To the knowledge of the Borrower, each Plan is in compliance with all material applicable provisions of ERISA, the Code and other Federal or state Laws, except where noncompliance would not result in or would not reasonably be expected to result in a Material Adverse Effect.

(b) To the knowledge of the Borrower, there has been no prohibited transaction (as defined in Section 4975 of the Code, other than a transaction that is exempt under a statutory or administrative

exemption) with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) Except as would not result in or would not reasonably be expected to result in a Material Adverse Effect: (i) no ERISA Event has occurred; (ii) as of the last annual valuation date prior to the date of this Agreement, no Pension Plan has any Unfunded Pension Liability; and (iii) the Borrower has not received notice of the failure of the Borrower or any ERISA Affiliate to meet the minimum funding requirements of Section 412 of the Code or Section 302 of ERISA with respect to any Pension Plan.

#### **5.09 Margin Regulations; Investment Company Act.**

(a) Neither the Borrower nor any Designated Borrower is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) Neither the Borrower nor any Designated Borrower is required to be registered as an “investment company” under the Investment Company Act of 1940.

**5.10 Anti-Corruption Laws and Sanctions.** (i) The Borrower has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and (ii) in the past five years the Borrower, its Subsidiaries and their respective directors, officers and employees, and to the knowledge of the Borrower, its agents, except for the Disclosed Matters, have not engaged in any activity or conduct that violated any applicable Anti-Corruption Laws in any material respect and are in compliance with Anti-Corruption Laws in all material respects. The Borrower, its Subsidiaries and their respective directors, officers and employees, and to the knowledge of the Borrower, its agents, are in compliance with applicable Sanctions and are not engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, any Subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent or affiliate of the Borrower or any Subsidiary, is a Sanctioned Person. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will directly or, to the knowledge of the Borrower, indirectly violate Anti-Corruption Laws or applicable Sanctions.

### **ARTICLE VI. AFFIRMATIVE COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than inchoate indemnity obligations) hereunder shall remain unpaid or unsatisfied, any Letter of Credit remains outstanding or any LC Disbursement shall not have been reimbursed:

**6.01 Financial Statements.** The Borrower shall deliver to the Administrative Agent for further distribution to the Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, stockholders’ equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP; audited and accompanied by a report and opinion of PricewaterhouseCoopers LLP or other Registered Public Accounting Firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and applicable Securities Laws and shall not be subject to any “going concern” or like qualification or exception (other than as to any debt coming due in less than 12 months or projected covenant violations pursuant to Section 7.06) or any, qualification or exception as to the scope of such audit.

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter and the related consolidated statements of income or operations for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, and a statement of cash flows for the portion of the Borrower's fiscal year then ended, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer, chief accounting officer or controller of the Borrower as fairly presenting in all material respects the financial condition, results of operations, stockholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, it being agreed that delivery of the Borrower's quarterly report on Form 10-Q will satisfy this requirement.

**6.02 Certificates; Other Information.** The Borrower shall deliver to the Administrative Agent for further distribution to the Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief accounting officer, chief financial officer, treasurer or controller of the Borrower;

(b) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary (including any Designated Borrower), or compliance with the terms of the Loan Documents, as the Administrative Agent may from time to time reasonably request in connection with this Agreement; and

(c) promptly after Moody's or S&P shall have announced a change in the Index Debt Rating, or if any such rating agency shall cease to have an Index Debt Rating, written notice of such rating change or cessation.

Notwithstanding the foregoing, the information required to be delivered pursuant to Section 6.01(a) or (b) shall be deemed to have been delivered on the date on which such information has been posted on the Internet at [www.sec.gov](http://www.sec.gov) or such other website previously notified by the Borrower to the Administrative Agent to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent). Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(a) to the Administrative Agent. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

**6.03 Notices.** Promptly after the Borrower's obtaining Actual Knowledge thereof, the Borrower shall notify the Administrative Agent for further distribution to the Lenders:

(a) of the occurrence of any Default;

(b) **of any matter, including litigation, that has resulted or could reasonably be expected to result in a Material Adverse Effect; and**

(c) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, any change in the information provided in the Beneficial Ownership Certification that would result in a change to the listed beneficial owners identified in parts (c) or (d) of such certification.

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower (on behalf of the Borrower) setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each

notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

**6.04 Payment of Taxes.** Except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, the Borrower shall, and shall cause each of its Subsidiaries to, pay and discharge as the same shall become due and payable, all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets that collectively are material to the Borrower and its Subsidiaries, taken as a whole, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP (or in accordance with generally accepted accounting principles in effect from time to time in such Borrower's or Subsidiary's jurisdiction of organization or tax residence, as applicable) are being maintained by the Borrower or such Subsidiary.

**6.05 Preservation of Existence, Etc.** The Borrower shall, and shall cause each of its Significant Subsidiaries to, (a) preserve, renew and maintain in full force and effect its legal existence, except in a transaction permitted by Section 7.02, and except (other than with respect to the maintenance of the existence of each Designated Borrower) that no Subsidiary shall be required to preserve, renew and maintain its corporate existence, if the Borrower or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower and its Subsidiaries, taken as a whole, and that the loss thereof could not be reasonably expected to have a Material Adverse Effect; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) take all reasonable action to maintain the United States registrations (to the extent permitted under applicable law) of all of its registered and validly issued patents, trademarks, trade names and service marks, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution, or the transactions permitted under Section 7.02.

**6.06 Maintenance of Property.** The Borrower shall, and shall cause each of its Subsidiaries to, maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

**6.07 Maintenance of Insurance.** Except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, the Borrower shall (a) maintain with financially sound and reputable insurance companies insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar businesses, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, and/or (b) retain risk through a self insurance mechanism or by agreement with an Affiliate or externally regulated vehicle for funding loss normally provided through insurance coverage carried by companies engaged in the same or similar businesses and owning similar properties.

**6.08 Compliance with Laws.** The Borrower shall, and shall cause each of its Subsidiaries to, comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

**6.09 Books and Records.** The Borrower shall, and shall cause each of its Significant Subsidiaries to, maintain proper books of record and account that permit the preparation of consolidated financial statements of the Borrower materially in accordance with GAAP.

**6.10 Use of Proceeds.** The Borrower or any Designated Borrower (i) shall use the proceeds of the Term Loans (A) to effectuate the Refinancing and to pay fees and expenses in connection therewith and (B) for general corporate purposes, (ii) shall use the proceeds of the Borrowings under the Revolving Loans for working capital, capital expenditures, Acquisitions and other purposes not in contravention of any Law or of any Loan Document and (iii) shall not use the proceeds of the Borrowings, whether directly or, to the knowledge of the Borrower, indirectly, and whether immediately or ultimately, (A) to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the FRB, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or permit the respective directors, officers, employees and agents of the Borrower and its Subsidiaries to use, the proceeds of the Borrowings for such purpose or (C) in material violation of Anti-Corruption Laws.

**6.11 Ownership of Designated Borrowers.** The Borrower shall own, directly or indirectly, all of the capital stock of each Designated Borrower.

**6.12 Inspection Rights.** The Borrower shall permit representatives of the Administrative Agent to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and upon reasonable prior notice; provided that, unless an Event of Default has occurred and is continuing, the Administrative Agent shall not conduct more than one such inspection per calendar year.

## **ARTICLE VII. NEGATIVE COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than inchoate indemnity obligations) hereunder shall remain unpaid or unsatisfied, any Letter of Credit remains outstanding (and not cash collateralized pursuant to Section 2.15(j)) or any LC Disbursement shall not have been reimbursed:

**7.01 Liens.** The Borrower shall not, and shall not permit any of its Subsidiaries to, create, incur or assume any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Closing Date and securing Indebtedness or other obligations not in excess of \$50,000,000 or otherwise listed on Schedule 7.01 hereto and any replacements, renewals or extensions thereof, provided that (i) the property covered thereby is not changed (other than additions and improvements thereto), (ii) the amount of the obligations secured or benefited thereby is not increased at the time of such replacement, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such replacement, renewal or extension, and (iii) the direct or any contingent obligor with respect thereto is not changed;

(c) Liens for taxes, fees, assessments or other governmental charges, levies or claims not yet due or which are not delinquent beyond any period of grace or remain payable without penalty or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's, supplier's or other like Liens arising in the ordinary course of business;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory or regulatory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing Indebtedness in respect of capital leases, synthetic lease obligations, purchase money obligations and other obligations (other than obligations in respect of Sale Lease-Back Transactions), the proceeds of which are used to acquire or construct fixed or capital assets or improvements with respect thereto or any refinancings, refundings, renewals, amendments or extensions thereof; provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal, amendment or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal, amendment or extension, and provided, further, that such Liens do not at any time encumber any property other than the property financed by such Indebtedness;

(i) Liens existing on any real property or other specific tangible assets prior to the acquisition thereof by the Borrower or existing on any such property or asset of any Person that becomes a Subsidiary, provided that (i) such Lien is not created solely in contemplation of such acquisition or such Person becoming a Subsidiary, as the case may be; (ii) such Lien shall not apply to any other property or assets of the Borrower or any other Subsidiary; and (iii) any such Lien does not by its terms secure any Indebtedness other than Indebtedness existing immediately prior to the time of such acquisition or such Person becoming a Subsidiary, as the case may be; and any replacements, renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount of the obligations secured or benefited thereby is not increased at the time of such replacement, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such replacement, renewal or extension, and (iii) the direct or any contingent obligor with respect thereto is not changed;

(j) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(g);

(k) Liens arising by virtue of any contractual, statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts, other funds maintained with a creditor depository institution, or investment or securities accounts; provided that (i) such account is not a dedicated cash collateral account and is not subject to restrictions against access by the Borrower or the relevant Subsidiary in excess of those set forth by the regulations promulgated by the FRB, and (ii) such account is not intended by the Borrower or any of its Subsidiaries to provide collateral to the depository institution with respect to otherwise unrelated obligations of the Borrower or any such Subsidiary to such depository institution;

(l) Liens arising under repurchase agreements, reverse repurchase agreements, securities lending and borrowing agreements and similar transactions;

(m) Liens arising from precautionary filings in respect of operating leases;

(n) (A) licenses of intellectual property granted by the Borrower or any of its Subsidiaries in the ordinary course and not interfering in any material respect with the ordinary conduct of business of the Borrower and its Subsidiaries and (B) Liens arising from leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which (i) would not reasonably be expected to have a Material Adverse Effect and (ii) do not secure any Indebtedness;

(o) any interest or title of a lessor in the property (and the proceeds, accession or products thereof) subject to any operating lease, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to true leases or leases permitted hereunder;

(p) Liens to secure intercompany Indebtedness among the Borrower and its Subsidiaries or among Subsidiaries;

(q) Liens solely on deposits, advances, contractual payments, including implementation allowances or escrows to or with landlords, customers or clients or in connection with insurance arrangement in the ordinary course of business;

(r) Liens encumbering property or assets under construction (and proceeds or products thereof) arising from progress or partial payments by a customer of the Borrower or its Subsidiaries relating to such property or assets;

(s) Liens arising in connection with any Sale Lease-Back Transaction, provided that (i) such Sale Lease-Back Transaction involves a lease for a term of not more than three years, (ii) such Sale Lease-Back Transaction is between the Borrower and one of its Subsidiaries, or between any of its Subsidiaries or (iii) the Borrower or any of its Subsidiaries applies an amount equal to the net proceeds of such Sale Lease-Back Transaction within 365 days after such Sale Lease-Back Transaction to any of (or a combination of) (A) the prepayment or retirement of bonds, notes, debentures or similar instruments or Indebtedness of the Borrower or a Subsidiary of the Borrower that by its terms matures more than 12 months after its creation or (B) the purchase, construction, development, expansion or improvement of properties or facilities that are used in or useful to the business of the Borrower or any of its Subsidiaries;

(t) Liens securing any overdraft of related liabilities arising from treasury, depository or cash management services or automated clearing house transfers of funds;

(u) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(v) Liens on specific items of inventory or other goods and the proceeds thereof securing obligations in respect of documentary letters of credit or bankers' acceptances issued or created for the account of the Borrower or any Subsidiary in the ordinary course of business to facilitate the purchase, shipment or storage of such inventory or other goods; and

(w) additional Liens to secure Indebtedness or other obligations (including Liens arising in connection with any Sale Lease-Back Transaction not permitted by Section 7.01(s)), provided that the sum of (i) the aggregate amount of the Indebtedness and other obligations secured by such Liens permitted by this Section 7.01(w) and (ii) the aggregate amount of the Indebtedness permitted by Section 7.04(g) shall not at the time of incurrence exceed an amount equal to the greater of (i) \$1,000 million and (ii) 12.5% of Consolidated Net Tangible Assets.

**7.02 Fundamental Changes; Acquisitions.** The Borrower and each Designated Borrower shall not: (a) merge, dissolve, liquidate or consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets, or all or substantially all of the assets of itself and its Subsidiaries (whether now owned or hereafter acquired), to or in favor of any Person; provided, however, that, if at the time thereof and immediately after giving effect thereto no Event of Default under Section 8.01(a) or 8.01(f) shall have occurred and be continuing, (i) any Person may merge with or into or consolidate with the Borrower or a Designated Borrower, if the Borrower or a Designated Borrower is the surviving Person, (ii) the Borrower or a Designated Borrower may merge into any of its Subsidiaries for the purpose of effecting a change in its state of incorporation (if all Obligations shall have been assumed by such Subsidiary by operation of Law or through assumption documents satisfactory to the Administrative Agent), (iii) the Borrower may reincorporate in any other jurisdiction in the United States or (iv) any Designated Borrower may reincorporate in any other jurisdiction, but must in each case promptly notify the Administrative Agent thereof and such

jurisdiction must be reasonably acceptable to the Administrative Agent and Lenders; or (b) make any Acquisition, unless it is non-hostile and at the time thereof and immediately after giving effect thereto no Event of Default under Section 8.01(a) or (f) shall have occurred and be continuing.

**7.03 Accounting Changes.** The Borrower shall not make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

**7.04 Subsidiary Indebtedness.** The Borrower shall not permit any of its Subsidiaries to create, incur or assume any Indebtedness other than:

- (a) Indebtedness owed to the Borrower or to a wholly owned Subsidiary of the Borrower or Indebtedness under this Agreement or the Notes;
- (b) Indebtedness existing on the Closing Date and not in excess of \$50,000,000 or otherwise described on Schedule 7.04 hereto (the “Existing Indebtedness”), and any Indebtedness extending the maturity of, or refunding or refinancing, in whole or in part, the Existing Indebtedness, provided that the principal amount of such Existing Indebtedness shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing;
- (c) Indebtedness of a Person that becomes a Subsidiary after the date of this Agreement; provided that such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and such Indebtedness does not continue in connection with any extension, renewal, refinancing or replacement thereof;
- (d) Guarantees of any Subsidiary in respect of Indebtedness otherwise permitted hereunder of the Borrower or any other Subsidiary;
- (e) Indebtedness with respect to surety, appeal, indemnity, performance or other similar bonds in the ordinary course of business or with respect to agreements providing for indemnification, adjustment of purchase price, earn-out payments, earnest money or similar obligations;
- (f) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;
- (g) additional Indebtedness, provided that the sum of (i) the aggregate amount of the Indebtedness incurred under this Section 7.04(g) and (ii) the aggregate amount of the Indebtedness and other obligations secured by such Liens permitted by Section 7.01(w) shall not at the time of incurrence exceed an amount equal to the greater of (i) \$1,000 million and (ii) 12.5% of Consolidated Net Tangible Assets;
- (h) Indebtedness under any Swap Contract that is not entered into for speculative purposes.

**7.05 Transactions with Affiliates.** The Borrower shall not enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate unless such transaction is either (a) otherwise permitted under this Agreement, (b) upon fair and reasonable terms no less favorable to the Borrower or the relevant Affiliate than it would obtain in a comparable arm’s length transaction with a Person that is not an Affiliate or (c) not material to the Borrower and its Subsidiaries taken as a whole; provided that the foregoing restriction shall not apply to (i) transactions between the Borrower and one or more Subsidiaries or between two or more Subsidiaries, (ii) indemnification arrangements and employee agreements, compensation arrangements with (including equity-based compensation and reasonable and customary fees paid to directors), benefit plans for, and reimbursement of expenses of, in each case current and former officers and directors entered into in the ordinary course of business, (iii)

extraordinary retention, bonus or similar arrangements approved by the Borrower's board of directors (or a committee thereof), (iv) advances to officers, directors and employees of the Borrower and its Subsidiaries in the ordinary course of business for travel, entertainment, relocation, commission and other ordinary business purposes and (v) severance arrangements entered into in the ordinary course of business.

**7.06 Financial Covenant.** The Borrower shall not permit the Leverage Ratio as of the last day of any fiscal quarter of the Borrower to exceed 3.50:1.00; provided that during a Transition Period, the maximum Leverage Ratio level may be increased, at the Borrower's election, to 3.75:1.00 as a result of the Borrower or any of its Subsidiaries creating, assuming, incurring, guaranteeing or otherwise becoming liable in respect of any Indebtedness in connection with an Acquisition; provided that the aggregate principal amount of such Indebtedness that has been created, assumed, incurred, guaranteed, or with respect to which the Borrower or any of its Subsidiaries has otherwise become liable is greater than or equal to \$1,000 million.

## **ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES**

**8.01 Events of Default.** Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any Designated Borrower fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any reimbursement obligation in respect of any LC Disbursement, or (ii) within five Business Days after the same becomes due, any interest on any Loan, or any fee due hereunder, or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 6.03(a) or 6.05(a) (with respect to the Borrower's existence or the existence of any Designated Borrower to which Loans or reimbursement obligations in respect of Letters of Credit are outstanding), or Article VII; or

(c) Other Defaults. The Borrower or any Designated Borrower fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after the receipt by the Borrower of notice from the Administrative Agent; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any Designated Borrower herein, in any other Loan Document, or in any document delivered in connection herewith or therewith (i) if not qualified by materiality, shall be incorrect in any material respect when made or deemed made, or (ii) if qualified by materiality, shall be incorrect when made or deemed made and, in each case, remain incorrect for a period of 30 days in the case of any incorrect representation, warranty, certificate or statement of fact capable of being cured; or

(e) Cross-Payment Default/Cross-Acceleration. (i) The Borrower or any Significant Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount ("Specified Indebtedness"), after giving effect to any applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness or Guarantee, or (B) fails to observe or perform any other agreement or condition relating to any Specified Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, after giving effect to any applicable grace period, if any, specified in the agreement or instrument relating to such Specified Indebtedness, or any other event occurs, the effect of which default or other event is to cause such Specified Indebtedness to be demanded

or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Specified Indebtedness to be made, prior to its stated maturity, or such Specified Indebtedness consisting of a Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Borrower or any Significant Subsidiary is the Defaulting Party (as defined in such Swap Contract) and the Swap Termination Value owed by the Borrower or such Significant Subsidiary as a result thereof is greater than the Threshold Amount, or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Significant Subsidiary is the sole Affected Party (as so defined) and (i) the Swap Termination Value owed by the Borrower or such Significant Subsidiary as a result thereof is greater than the Threshold Amount, and (ii) the Borrower or such Significant Subsidiary shall fail to make payment thereof within the later to occur of five Business Days after the due date thereof and the expiration of any grace periods in such Swap Contract applicable to such payment obligation; or

(f) Inability to Pay Debts; Insolvency Proceedings, Etc. The Borrower or any Significant Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due; or the Borrower or any of its Significant Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, administrator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, administrator, liquidator, rehabilitator or similar officer is appointed without the application or consent of the Borrower or such Significant Subsidiary and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to the Borrower or such Significant Subsidiary or to all or any material part of its property is instituted without the consent of the Borrower or such Significant Subsidiary and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Judgments. There is entered against the Borrower or any Significant Subsidiary one or more final and non-appealable judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) and such judgment or order shall not be satisfied or stayed for a period of 60 consecutive days; or

(h) ERISA. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which, together with all other ERISA Events, if any, has resulted or would reasonably be expected to result in a Material Adverse Effect; or

(i) Invalidity of Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect in any material respect; or the Borrower or any other Person contests in any manner the validity or enforceability of any Loan Document; or the Borrower denies that it has any or further liability or obligation under any Loan Document (other than satisfaction in full), or purports to revoke, terminate or rescind any Loan Document; or

(j) Change of Control. There occurs any Change of Control; or

(k) Guarantee. During the existence of a Designated Borrower hereunder, the guarantee contained in Article X shall cease, for any reason (other than satisfaction in full of all the Obligations of such Designated Borrower), to be in full force and effect or the Borrower shall so assert.

**8.02 Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the Commitment of each Lender to make Loans to be terminated, whereupon such Commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and each Designated Borrower; or

(c) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower or any Designated Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Administrative Agent or any Lender.

**8.03 Application of Funds.** After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel permitted hereunder to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including, for the avoidance of doubt, the Issuing Banks) (including fees, charges and disbursements of counsel permitted hereunder to the respective Lenders and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and reimbursement obligations in respect of Letters of Credit (including to cash collateralize outstanding Letters of Credit), ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

## **ARTICLE IX. ADMINISTRATIVE AGENT**

**9.01 Appointment and Authority.** Each of the Lenders and each Issuing Bank hereby irrevocably appoints JPMorgan Chase Bank, N.A. to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions (other than Section 9.06).

**9.02 Rights as a Lender.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless

otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

**9.03 Exculpatory Provisions.** The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent: (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing; (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and (c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower or a Lender. The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

**9.04 Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

**9.05 Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such

sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

**9.06 Resignation of Administrative Agent.** The Administrative Agent may at any time give notice of its resignation to the Lenders, each Issuing Bank and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (not to be unreasonably withheld) unless an Event of Default shall have occurred and be continuing, to appoint a successor, which shall be a Lender with an office in the United States, or an Affiliate of any such Lender with an office in the United States. Such successor Administrative Agent shall comply with Section 3.01(h). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 45 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and each Issuing Bank, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

**9.07 Non-Reliance on Administrative Agent and Other Lenders.** Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document.

**9.08 No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the Arrangers, Syndication Agents, Documentation Agents or Senior Managing Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Swingline Lender, an Issuing Bank or a Lender hereunder. Without limiting the foregoing, none of such Persons shall have or be deemed to have a fiduciary relationship with any Lender. The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender.

**9.09 Certain ERISA Matters.** (1) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(2) *In addition, unless sub-clause (i) in the immediately preceding clause (1) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (1), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arrangers and their respective Affiliates, that none of the Administrative Agent or the Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any credit document or any documents related to hereto or thereto).*

(3) *The Administrative Agent and the Arrangers hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the*

*credit documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.*

## **ARTICLE X. GUARANTY**

**10.01 Guarantee.** In order to induce the Administrative Agent and the Lenders to execute and deliver this Agreement and to make or maintain the Loans, and in consideration thereof, the Borrower hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Lenders, the prompt and complete payment and performance by each Designated Borrower when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of such Designated Borrower, and the Borrower further agrees to pay any and all reasonable expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel) which may be paid or incurred by the Administrative Agent or by the Lenders in enforcing, or obtaining advice of counsel in respect of, any of their rights under the guarantee contained in this Article X. The guarantee contained in this Article X, subject to Section 10.05, shall remain in full force and effect until the Obligations of each Designated Borrower are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto such Designated Borrower may be free from any Obligations.

The Borrower agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability under this Article X, it will notify the Administrative Agent and such Lender in writing that such payment is made under the guarantee contained in this Article X for such purpose. No payment or payments made by any Designated Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Designated Borrower or any other Person by virtue of any action or proceeding or any setoff or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations of such Designated Borrower shall be deemed to modify, reduce, release or otherwise affect the liability of the Borrower under this Article X which, notwithstanding any such payment or payments, shall remain liable for the unpaid and outstanding Obligations of such Designated Borrower until, subject to Section 10.05, the Obligations of such Designated Borrower are paid in full and the Commitments are terminated.

**10.02 No Subrogation.** Notwithstanding any payment made by the Borrower pursuant to this Article X or any set-off or application of funds of the Borrower by the Administrative Agent or any Lender in connection with the guarantee contained in this Article X, the Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against any Designated Borrower or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations of such Designated Borrower, nor shall the Borrower seek or be entitled to seek any contribution or reimbursement from such Designated Borrower in respect of payments made by the Borrower under this Article X, until all amounts owing to the Administrative Agent and the Lenders on account of the Obligations of such Designated Borrower are paid in full and the Commitments are terminated. If any amount shall be paid to the Borrower on account of such subrogation rights at any time when all of the Obligations of each Designated Borrower shall not have been paid in full, such amount shall be held by the Borrower in trust for the Administrative Agent and the Lenders, segregated from other funds of the Borrower, and shall, forthwith upon receipt by the Borrower, be turned over to the Administrative Agent in the exact form received by the Borrower (duly indorsed by the Borrower to the Administrative Agent, if required), to be applied against the Obligations of such Designated Borrower, whether matured or unmatured, in such order as the Administrative Agent may determine. The provisions of this Section 10.02 shall survive the term of the guarantee contained in this Article X and the payment in full of the Obligations and the termination of the Commitments.

**10.03 Amendments, etc. with respect to the Obligations of each Designated Borrower.** The Borrower shall remain obligated under this Article X notwithstanding that, without any reservation of rights against the Borrower, and without notice to or further assent by the Borrower, any demand for payment of or reduction in the principal amount of any of the Obligations of any Designated Borrower made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Obligations of such Designated Borrower continued, and the Obligations of such Designated Borrower, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Lenders (or the Required Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations of such Designated Borrower may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Obligations of each Designated Borrower or for the guarantee contained in this Article X or any property subject thereto.

**10.04 Guarantee Absolute and Unconditional.** The Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations of each Designated Borrower and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Article X or acceptance of the guarantee contained in this Article X; the Obligations of each Designated Borrower, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Article X; and all dealings between the Borrower or any Designated Borrower, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Article X. The Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any Designated Borrower with respect to the Obligations of such Designated Borrower. To the full extent permitted by law, the guarantee contained in this Article X shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Obligations of any Designated Borrower or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) the legality under applicable Laws of repayment by any Designated Borrower of the Obligations of such Designated Borrower or the adoption of any requirement of law purporting to render any Obligations of such Designated Borrower null and void, (c) any defense, setoff or counterclaim (other than a defense of payment or performance by a Designated Borrower) which may at any time be available to or be asserted by the Borrower against the Administrative Agent or any Lender, (d) any change in ownership of any Designated Borrower, any merger or consolidation of any Designated Borrower into another Person or any loss of any Designated Borrower's separate legal identity or existence, or (e) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or any Designated Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Designated Borrower for any Obligations of such Designated Borrower, or of the Borrower under the guarantee contained in this Article X in bankruptcy or in any other instance. When the Administrative Agent or any Lender is pursuing its rights and remedies under this Article X against the Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against any Designated Borrower or any other Person or against any collateral security or guarantee for the Obligations of such Designated Borrower or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from any Designated Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Designated Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve

the Borrower of any liability under this Article X and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Lenders against the Borrower.

**10.05 Reinstatement.** The guarantee contained in this Article X shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations of any Designated Borrower is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of such Designated Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, such Designated Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

**10.06 Payments.** The Borrower hereby agrees that any payments in respect of the Obligations of any Designated Borrower pursuant to this Article X will be paid to the Administrative Agent without setoff or counterclaim in U.S. Dollars, at the office of the Administrative Agent specified in Section 11.02.

**10.07 Independent Obligations** The obligations of the Borrower under the guarantee contained in Article X are independent of the obligations of each Designated Borrower, and a separate action or actions may be brought and prosecuted against the Borrower whether or not such Designated Borrower be joined in any such action or actions. The Borrower waives, to the full extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by a Designated Borrower or other circumstance which operates to toll any statute of limitations as to such Designated Borrower shall operate to toll the statute of limitations as to the Borrower.

## **ARTICLE XI. MISCELLANEOUS**

### **11.01 Amendments, Etc.**

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any Designated Borrower therefrom, shall be effective unless in writing signed by the Required Lenders, the Borrower and each Designated Borrower, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

- (a) waive any condition set forth in Section 4.01(a) or Section 4.03 without the written consent of each Lender;
- (b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article IV or the waiver of any Default shall not constitute an extension or increase of any Commitment of any Lender);
- (c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Aggregate Commitments hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;
- (d) reduce the principal of, or the rate of interest specified herein on, any Loan or LC Disbursement, or any fees or other amounts payable hereunder or under any other Loan Document, or change the manner of computation of any financial ratio (including any change in any applicable defined term) used in determining the Applicable Margin that would result in a reduction of any interest rate on

any Loan or LC Disbursement or any fee payable hereunder, without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest at the Default Rate;

(e) change Section 2.07 or Section 2.08 in a manner that would alter the fees required thereby without the written consent of each Lender adversely affected;

(f) except as provided herein, change Section 2.11 or Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(g) change Section 2.13 or Section 2.14 without the consent of the Administrative Agent and each Swingline Lender;

(h) change Section 2.15 without the consent of the Administrative Agent and each Issuing Bank;

(i) change Section 2.16 without the consent of the Administrative Agent, each Issuing Bank and each Swingline Lender;

(j) release the guaranty contained in Article X with respect to any Designated Borrower prior to termination of such Subsidiary’s designation as a Designated Borrower in accordance with Section 11.18 without the written consent of each Lender; or

(k) change any provision of this Section or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders (or, subject to the last sentence of this Section 11.01, the Lenders of any Class) required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender;

and, provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Issuing Bank or any Swingline Lender under this Agreement without the prior written consent of the Administrative Agent, each Issuing Bank or each Swingline Lender, as the case may be, in addition to the Lenders required above. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Swingline Lender, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time. Notwithstanding anything to the contrary herein, (i) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) may be effected by an agreement or agreements in writing entered into by the Borrower, each Designated Borrower and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section 11.01 if such Class of Lenders were the only Class of Lenders hereunder at such time, and (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent under this Agreement, except that (x) the Commitment of such Lender may not be increased or extended without the consent of such Lender and (y) the principal amount of, or interest or (except as provided herein) fees payable on, Loans or LC Disbursements may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Lender without such Defaulting Lender’s consent.

#### **11.02 Notices; Effectiveness; Electronic Communication.**

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows: (i) if to the Borrower, any Designated Borrower or the

Administrative Agent, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.02 or in the Joinder Agreement applicable thereto; provided that the Borrower and each Designated Borrower shall be notified by electronic mail of any notice sent by telecopier; and (ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in Section 11.02(b), shall be effective as provided in such Section 11.02(b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Borrower or any Designated Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it (or in the case of any Designated Borrower, the Borrower), provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON- INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Designated Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Designated Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, each Designated Borrower, the Administrative Agent may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address,

contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower, provided that such indemnity shall not be available as to any Indemnitee (as defined in Section 11.04(b)) to the extent that such losses, costs, expenses and liabilities result from the gross negligence or willful misconduct of such Indemnitee. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

(f) Deemed Notices to Designated Borrowers. Any notice given under this Section 11.02 to the Borrower shall also be deemed notice to any Designated Borrower, and the Borrower shall be entitled to give any notice on behalf of any Designated Borrower.

**11.03 No Waiver; Cumulative Remedies.** No failure by any Lender, any Swingline Lender, any Issuing Bank or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

#### **11.04 Expenses; Indemnity; Damage Waiver.**

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Arrangers, the Syndication Agents, the Documentation Agents and the Senior Managing Agents (including the reasonable and documented fees, charges and disbursements of one counsel for the Administrative Agent, the Arrangers, the Syndication Agents, the Documentation Agents and the Senior Managing Agents), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents 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 reasonable and documented out-of-pocket expenses incurred by each Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank, any Arranger, any Syndication Agent, any Documentation Agent, any Senior Managing Agent, any Swingline Lender or any Lender (including the reasonable and documented fees, charges and disbursements of one counsel for the Administrative Agent, each Issuing Bank, any Swingline Lender, the Arrangers, the Syndication Agents, the Documentation Agents and the Senior Managing Agents and one local counsel in each jurisdiction of organization of any Designated Borrower but only so long as such jurisdiction is different from the jurisdiction of organization of the Borrower or any other Designated Borrower (such jurisdiction, the "Applicable Jurisdiction") (and, in the case of an actual or perceived conflict of interest, of one special conflicts counsel to all affected Persons taken as a whole)) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 11.04, or (B) in connection with the Loans 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 Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Issuing Bank, each Swingline Lender, the Arrangers, the

Syndication Agents, the Documentation Agents, the Senior Managing Agents and each Lender and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses (including the reasonable and documented fees, charges and disbursements of one counsel for the Indemnitees and one local counsel for the Indemnitees in each Applicable Jurisdiction (and, in the case of an actual or perceived conflict of interest, of one special conflicts counsel to all affected Persons taken as a whole)) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) and (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, its equity holders, affiliates or creditors, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, apply to (i) any losses, claims, damages, liabilities or related expenses to the extent they (x) result from the gross negligence, willful misconduct or bad faith of such Indemnitee as determined by a court of competent jurisdiction in a final non-appealable judgment or (y) result from a claim brought by the Borrower against an Indemnitee for a material breach of such Indemnitee’s obligations hereunder or under any other Loan Document, if the Borrower has obtained a final non-appealable judgment in its favor as to such claim as determined by a court of competent jurisdiction, (ii) any settlement entered into by such Indemnitee without the written consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed) and (iii) any disputes solely among Indemnitees and not arising out of or in connection with any act or omission of the Borrower (other than any claims against an Indemnitee in its capacity or in fulfilling its role as the Administrative Agent, an Arranger, an Issuing Bank or Swingline Lender hereunder). This Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, penalties, liabilities and related expenses arising from any non-Tax matter.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), each Issuing Bank, each Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), each Issuing Bank, each Swingline Lender or such Related Party, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), each Issuing Bank, or each Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.10(e).

(d) Waiver of Consequential Damages, Etc. **To the fullest extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof; provided that nothing in this paragraph shall limit the Borrower’s indemnity obligations to the extent such special, indirect, consequential or punitive damages are included in any claim asserted against such Indemnitee by a third party. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or**

**other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a court of competent jurisdiction in a final non-appealable judgment.**

(e) Payments. All amounts due under this Section shall be payable not later than 30 days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

**11.05 Payments Set Aside.** To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

#### **11.06 Successors and Assigns.**

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), except that neither the Borrower nor any Designated Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, each Issuing Bank, each Swingline Lender and each Lender (and any attempted assignment or transfer by the Borrower or any Designated Borrower without such consent shall be null and void) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section 11.06 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, the Arrangers, the Syndication Agents, the Documentation Agents, the Senior Managing Agents, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, each Issuing Bank, each Swingline Lender and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts. (A) In the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans within any Class at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and (B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$1,000,000 for Term Loans and \$5,000,000 for Revolving Loans, unless each of the Administrative Agent and, so long as no Event of Default under Section 8.01(a) or 8.01(f) has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single assignee (or to an assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met; provided, further, that in the case of an assignment described in subsection (b)(i)(B) of this Section to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition: (A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default under Section 8.01(a) or 8.01(f) has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; (B) the consent of the Administrative Agent, unless a Term Loan is being assigned to a Lender, an Affiliate of a Lender or an Approved Fund; and (C) the consent of each Issuing Bank and each Swingline Lender (such consent not to be unreasonably withheld or delayed), unless a Term Loan is being assigned, shall be required.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Borrower. No such assignment shall be made to the Borrower or any of the Borrower's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons, Defaulting Lender. No such assignment shall be made to a natural person or a Defaulting Lender.

(vii) No Assignment to Disqualified Lenders. No such assignment shall be made to a Disqualified Lender (provided that for the purposes of this provision, Disqualified Lenders shall only be deemed to be Disqualified Lenders if a list of Disqualified Lenders has been made available to the Administrative Agent (who shall provide such names to any requesting Lender) by the Borrower; provided, further, that the Administrative Agent shall have no liability in respect of any mistaken assignment to a Disqualified Lender unless (x) the Borrower has not consented to (or been deemed to have consented to) such assignment and (y) the Administrative Agent shall have acted with gross negligence or willful misconduct as determined in a final and nonappealable decision of a court of competent jurisdiction) and each assignee shall represent that it is not a Disqualified Lender or an Affiliate of a Disqualified Lender.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the

assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 3.01, with respect to payments by or on account of any obligation of the Borrower or any Designated Borrower hereunder or under any other Loan Document, and the benefits of Sections 3.04, 3.05, and 11.04 with respect to facts and circumstances, in each case, occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.06(d).

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, each Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, each Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time sell participations to any Person (other than a natural person, Defaulting Lender, the Borrower, any of the Borrower's Affiliates or Subsidiaries or any Disqualified Lender; provided that for the purposes of this provision, Disqualified Lenders shall only be deemed to be Disqualified Lenders if a list of Disqualified Lenders has been made available to the Administrative Agent (who shall provide such names to any requesting Lender) by the Borrower) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, each Issuing Bank and the Lenders shall continue to deal solely and directly, with such Lender in connection with such Lender's rights and obligations under this Agreement. Notwithstanding the foregoing, so long as no Event of Default pursuant to Section 8.01(a) or Section 8.01(f) has occurred and is continuing, no participations will be permitted to be made without the consent of the Borrower, which consent shall not be unreasonably withheld or delayed, other than to other Lenders, Affiliates of Lenders, Approved Funds, or other commercial banks or regulated financial institutions which are rated by (or whose direct or indirect parent are rated by) S&P or Moody's. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. Subject to Section 11.06(e), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.06(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.11 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Commitments, Loans, Letters of Credit or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such 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.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower and any Designated Borrower, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central 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.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**11.07 Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent, each Issuing Bank, each Swingline Lender and each of the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it or any of its Affiliates (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (in which case, the Administrative Agent, such Issuing Bank, such Swingline Lender or such Lender shall, except with respect to any audit or examination conducted by bank accountants or any Governmental Authority or regulatory or self-regulatory authority exercising examination or regulatory authority, promptly notify the Borrower in writing, in advance, and give the Borrower the opportunity to seek confidential treatment of the information prior to such disclosure, to the extent permitted by law and regulation), (c) in any legal, judicial, administrative proceeding or in accordance with a judicial or other governmental order, subpoena, interrogatory, discovery request, investigative demand or other legal process or as required by applicable law or regulations (in which case, the Administrative Agent, such Issuing Bank, such Swingline Lender or such Lender shall promptly notify the Borrower in writing, in advance, and give the Borrower the opportunity to seek confidential treatment of the information prior to such disclosure, to the extent permitted by law and regulation), (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, or any Subsidiary and its obligations, or any credit insurance provider relating to the Borrower and its Obligations, (g) with the consent of the Borrower, (h) to rating agencies or, on a confidential basis, to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y)

becomes available to the Administrative Agent, any Issuing Bank, any Swingline Lender, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, “Information” means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Issuing Bank, any Swingline Lender or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential or should, because of its nature, reasonably be understood to be confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, each Issuing Bank, each Swingline Lender and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

**11.08 Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender to or for the credit or the account of the Borrower or any Designated Borrower against any and all of the obligations of the Borrower or any Designated Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or any Designated Borrower may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender may have. Each Lender agrees to notify the Borrower and, if applicable, such Designated Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application. Notwithstanding the foregoing, if any Defaulting Lender shall exercise any such right of setoff, (i) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of this Agreement and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, each Issuing Bank, each Swingline Lender and the Lenders and (ii) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of set off.

**11.09 Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the “Maximum Rate”). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower or any Designated Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

**11.10 Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in [Section 4.01](#), this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

**11.11 Survival.** All covenants, agreements, representations and warranties made by the Borrower and each Designated Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount or Obligation payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated.

**11.12 Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**11.13 Replacement of Lenders.** If any Lender requests compensation under [Section 3.04](#), or if the Borrower is required to pay (or will be required to pay) any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to [Section 3.01](#) or if any Lender determines pursuant to [Section 3.02](#) that it is not permitted to make Eurocurrency Rate Loans; **or RFR Loans** or if any Lender is a Defaulting Lender, or if any Lender declines to approve any waiver, amendment or modification of this Agreement or any Loan Document that requires approval of all Lenders or all affected Lenders pursuant to [Section 11.01](#) and has been approved by the Required Lenders or if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, [Section 11.06](#)), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that: (a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in [Section 11.06\(b\)](#); (b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under [Section 3.05](#)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts); (c) in the case of any such assignment resulting from a claim for compensation under [Section 3.04](#) or payments required to be made pursuant to [Section 3.01](#), such assignment will result in a reduction in such compensation or payments thereafter; (d) such assignment does not conflict with applicable Laws and (e) in the case of any assignment resulting from a Lender becoming a non-

consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

#### 11.14 **Governing Law; Jurisdiction; Etc.**

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

**11.15 Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**11.16 No Advisory or Fiduciary Responsibility.** In connection with all aspects of each transaction contemplated hereby, the Borrower acknowledges and agrees that (except, with respect to

clauses (ii) and (iii) below, as expressly set forth in any other engagement agreement between the Borrower and/or any of its Affiliates, on the one hand, and the Administrative Agent, any Syndication Agent, any Documentation Agent, any Senior Managing Agent, any Lender or any Arranger, on the other hand): (i) the credit facilities provided for herein and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Lenders, the Arrangers, the Syndication Agents, the Documentation Agents and the Senior Managing Agents on the other hand, and the Borrower is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, the Administrative Agent, the Syndication Agents, the Documentation Agents, the Senior Managing Agents, the Lenders and the Arrangers each is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person; (iii) neither the Administrative Agent, any Syndication Agent, any Documentation Agent, any Senior Managing Agent, any Lender nor any other Arrangers have assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether the Administrative Agent, the Syndication Agents, the Documentation Agents, the Senior Managing Agents, the Lenders or the Arrangers have advised or are currently advising the Borrower or any of its Affiliates on other matters) and neither the Administrative Agent, any Syndication Agent, any Documentation Agent, any Senior Managing Agent, any Lender nor any other Arranger has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Administrative Agent, the Syndication Agents, the Documentation Agents, the Senior Managing Agents, the Lenders and the Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent, any Syndication Agent, any Documentation Agent, any Senior Managing Agent, any Lender nor any other Arranger has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Administrative Agent, the Syndication Agents, the Documentation Agents, the Senior Managing Agents, the Lenders and the other Arrangers have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. The Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent, the Syndication Agents, the Documentation Agents, the Senior Managing Agents, the Lenders and the other Arrangers with respect to any breach or alleged breach of agency or fiduciary duty.

**11.17 USA PATRIOT Act Notice.** Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower and each Designated Borrower, which information includes the name and address of the Borrower and each Designated Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower and each Designated Borrower in accordance with the Patriot Act.

**11.18 Termination of Joinder Agreements.** Following written notice from the Borrower to the Administrative Agent that it wishes to terminate any Subsidiary's designation as a Designated Borrower and upon payment in full of all Obligations of such Designated Borrower, any Joinder Agreement entered by such Designated Borrower with respect to this Agreement shall be deemed to have been terminated, and all guaranty obligations of the Borrower under Article X in respect of such

Designated Borrower shall be terminated as of the date of the termination of such Joinder Agreement but subject to the second paragraph of Section 10.01.

**11.19 Acknowledgment and Consent to Bail-In of EEA Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

*(Remainder of Page Intentionally Left Blank)*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION

By: \_\_  
Name: \_\_  
Title: \_\_

COGNIZANT WORLDWIDE LIMITED

By: \_\_  
Name: \_\_  
Title: \_\_

---

JPMORGAN CHASE BANK, N.A., as  
Administrative Agent, Issuing Bank, Swingline Lender and Lender

By: \_\_\_  
Name: \_\_\_  
Title: \_\_\_

DTTP number: \_\_\_\_\_

Jurisdiction of tax residence: \_\_\_\_\_

---

BARCLAYS BANK PLC, as Issuing Bank and Lender

By: \_\_  
Name: \_\_  
Title: \_\_

By: \_\_  
Name: \_\_  
Title: \_\_

DTTP number: \_\_\_\_\_

Jurisdiction of tax residence: \_\_\_\_\_

---

BNP PARIBAS, as Issuing Bank and Lender

By: \_\_  
Name: \_\_  
Title: \_\_

DTTP number: \_\_\_\_\_

Jurisdiction of tax residence: \_\_\_\_\_

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BRANCH BANKING AND TRUST COMPANY, as Issuing Bank and Lender

By: \_\_  
Name: \_\_  
Title: \_\_

DTTP number: \_\_\_\_\_

Jurisdiction of tax residence: \_\_\_\_\_

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ROYAL BANK OF CANADA, as Issuing Bank and Lender

By: \_\_  
Name: \_\_  
Title: \_\_

DTTP number: \_\_\_\_\_

Jurisdiction of tax residence: \_\_\_\_\_

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[\_\_\_\_\_] , as  
Lender

By: \_\_  
Name: \_\_  
Title: \_\_

DTTP number: \_\_\_\_\_

Jurisdiction of tax residence: \_\_\_\_\_

## LIST OF SUBSIDIARIES OF THE COMPANY

EXHIBIT 21.1

The following is a list of subsidiaries of the Company as of December 31, 2021:

<u>Name of the entity</u>	<u>Jurisdiction</u>
Cognizant Technology Solutions de Argentina S.R.L.	Argentina
Softvision SAS	Argentina
Cognizant Technology Solutions Australia Pty Ltd	Australia
Collaborative Solutions Asia-Pacific Pty Ltd	Australia
Collaborative Solutions Australia Pty Ltd	Australia
Contino Pty Ltd	Australia
Dylis Consulting Pty Ltd	Australia
Odecee Pty Limited	Australia
Odecee Unit Trust	Australia
SAASFOCUS PTY LTD	Australia
Servian Group (Holdings) Pty Ltd	Australia
Servian Managed Services Pty Ltd	Australia
Servian Pty Ltd	Australia
Servian Services Pty Ltd	Australia
Servian (Victoria) Pty Ltd	Australia
Softvision Australia Pty Ltd	Australia
SVN BidCo Pty Ltd	Australia
SVN HoldCo Pty Ltd	Australia
Vibrato Pty Ltd	Australia
Cognizant Technology Solutions Austria GmbH	Austria
Cognizant Technology Solutions Belgium SA	Belgium
Cognizant Servicos de Tecnologia e Software do Brasil Ltda	Brazil
Cognizant Technology Solutions (Québec) Inc.	Canada
Cognizant Technology Solutions Canada, Inc.	Canada
Collaborative Technology Solutions Canada ULC	Canada
Devbridge Canada ULC	Canada
Softvision Canada, ULC OA Momentus Software	Canada
Cognizant Technology Solutions de Chile SpA	Chile
Cognizant Mobility (Shanghai) Co., Ltd.	China
Cognizant Technology Solutions (Dalian) Co., Ltd.	China
Cognizant Technology Solutions (Shanghai) Co, Ltd.	China
ZT Automation Limited	China
Cognizant Technology Solutions Colombia S.A.S.	Colombia
Cognizant Technology Solutions de Costa Rica Sociedad de Responsabilidad Limitada	Costa Rica
Cognizant Technology Solutions s.r.o.	Czech Republic
Cognizant Technology Solutions Denmark ApS	Denmark
Cognizant El Salvador, Sociedad Anonima de Capital Variable	El Salvador
Cognizant Technology Solutions Finland Oy	Finland
Oy Samlink Ab	Finland
Samlink Technology Solutions Finland Oy	Finland
Cognizant Business Consulting SAS	France

<u>Name of the entity</u>	<u>Jurisdiction</u>
Cognizant France SAS	France
Cognizant Horizon Financial Services	France
Cognizant Technology Solutions France SAS	France
EI-Management SAS	France
EI-Technologies France SAS	France
EI-Workplace SAS	France
Entrepreneurs et Investisseurs Technologies SAS	France
Cognizant Deutschland GmbH	Germany
Cognizant Energy and Financial Services Consulting GmbH	Germany
Cognizant Mobility GmbH	Germany
Cognizant Technology Solutions GmbH	Germany
Netcentric Deutschland GmbH	Germany
ServiceXpert Gesellschaft für Service Informationssysteme mbH	Germany
Cognizant Technology Solutions Guatemala Limitada	Guatemala
Cognizant Technology Solutions Hong Kong Limited	Hong Kong
Cognizant Technology Solutions Hungary Kft.	Hungary
Cognizant Technology Solutions India Private Limited	India
GSoft Services Private Limited	India
Software Paradigms (India) Financial Services Private Limited	India
Software Paradigms Infotech Private Limited	India
TQS Integration Private Limited	India
Ygyan Consulting Private Limited	India
Zentek Export Engineering Private Limited	India
Cognizant Technology Solutions Ireland Limited	Ireland
Collaborative Solutions EMEA Limited	Ireland
LZ Lifescience Limited	Ireland
Merit Software Holdings Limited	Ireland
Merit Software Limited	Ireland
Mirabo Systems International Limited	Ireland
Target Environmental Health & Safety Limited	Ireland
TQS Integration Limited	Ireland
Vedsul Limited	Ireland
Cognizant Technology Solutions Italia, S.p.A.	Italy
Cognizant Japan KK	Japan
Cognizant Business Services Limited	Jersey
Cognizant Technology Solutions Jersey Limited	Jersey
Cognizant Technology Solutions Lithuania, UAB	Lithuania
Devbridge LT, UAB	Lithuania
Cognizant Technology Solutions Luxembourg S.à r.l	Luxembourg
CogDev Malaysia SDN. BHD.	Malaysia
Cognizant Oil and Gas Consulting Services Malaysia SDN. BHD.	Malaysia
Cognizant (Mauritius) Ltd.	Mauritius
Cognizant Technology Solutions de Mexico, S.A. de C.V.	Mexico
Idea Couture Latin America, S.A.P.I. de C.V.	Mexico
Cognizant Consulting SARL	Morocco

<u>Name of the entity</u>	<u>Jurisdiction</u>
SPI Nepal Private Limited	Nepal
Cognizant Technology Solutions Benelux B.V.	Netherlands
Inawisdom Europe B.V.	Netherlands
Cognizant Technology Solutions New Zealand Limited	New Zealand
Collaborative Solutions New Zealand Limited	New Zealand
Enterprise IT Analytics Limited	New Zealand
Enterprise IT API Limited	New Zealand
Enterprise IT Limited	New Zealand
Servian New Zealand Limited	New Zealand
Cognizant Accounting Services Norway AS	Norway
Cognizant Business Services Norway AS	Norway
Cognizant Oil and Gas Consulting Services Norway AS	Norway
Cognizant Technology Solutions Norway AS	Norway
Cognizant Technology Solutions Philippines, Inc.	Philippines
Collaborative Solutions INC.	Philippines
Magenic Manila, Inc.	Philippines
MediCall Philippines, Inc.	Philippines
Cognizant Technology Solutions Poland sp. zo. o	Poland
Devbridge PL sp. zo. o	Poland
Cognizant Technology Solutions Portugal, Unipessoal LDA	Portugal
Cognizant Mobility Romania S.R.L.	Romania
Cognizant Technology Solutions Romania S.R.L.	Romania
Netcentric Eastern Europe S.R.L.	Romania
Cognizant Technology Solutions Saudi LLC	Saudi Arabia
Cognizant Technology Solutions Asia Pacific Pte. Ltd.	Singapore
Servian Singapore Pte. Ltd.	Singapore
Zentek Engineering Pte Limited	Singapore
Cognizant Technology Solutions Slovakia, s.r.o.	Slovakia
Cognizant Technology Solutions South Africa (Proprietary) Limited	South Africa
New Signature SA (Pty) Ltd	South Africa
Cognizant Technology Solutions Spain, S.L.	Spain
Netcentric Ibérica SLU	Spain
TQS Integration España SLU	Spain
CogDev Solutions AB	Sweden
Cognizant Technology Solutions Sweden AB	Sweden
Cognizant Technology Solutions AG	Switzerland
Enterprise Services AG	Switzerland
Netcentric AG	Switzerland
TQS Integration AG	Switzerland
Cognizant Technology Solutions (Thailand) Co., Ltd.	Thailand
Cognizant (GB) Limited	United Kingdom
Cognizant Business Services UK Limited	United Kingdom
Cognizant Holdings UK Limited	United Kingdom
Cognizant Oil and Gas Consulting Services UK Ltd	United Kingdom
Cognizant Technology Solutions Global Services Limited	United Kingdom

<u>Name of the entity</u>	<u>Jurisdiction</u>
Cognizant Worldwide Limited	United Kingdom
Collaborative Solutions Europe Limited	United Kingdom
Contino Solutions Limited	United Kingdom
Devbridge UK Ltd	United Kingdom
Head London Limited	United Kingdom
Inawisdom Ltd	United Kingdom
Merit Research Limited	United Kingdom
Netcentric UK Ltd	United Kingdom
New Signature UK Limited	United Kingdom
Rivereo Technologies Limited	United Kingdom
Servian Consulting Limited	United Kingdom
Softvision U.K. Limited	United Kingdom
TQS Integration UK Limited	United Kingdom
UK BSI Holdings Limited	United Kingdom
Zentek Engineering (UK) Limited	United Kingdom
Zone Limited	United Kingdom
Avectus Healthcare Solutions, LLC	United States
BHS Hospital Services, Inc.	United States
BHS India Holdings, Inc.	United States
BHS India Holdings, LLC	United States
BHS Physician Services, Inc.	United States
Cognizant Business Services Corporation	United States
Cognizant Domestic Holdings Corporation	United States
Cognizant Healthcare Services, LLC	United States
Cognizant International Holdings Corporation	United States
Cognizant Mobility, Inc.	United States
Cognizant Mortgage Services Corporation	United States
Cognizant Oil and Gas Consulting Services U.S. Inc.	United States
Cognizant Resources LLC	United States
Cognizant Technology Solutions Holdings LLC	United States
Cognizant Technology Solutions Overseas Corporation	United States
Cognizant Technology Solutions Lincoln Holdings, LLC	United States
Cognizant Technology Solutions Services, LLC	United States
Cognizant Technology Solutions U.S. Corporation	United States
Cognizant TriZetto Software Group, Inc.	United States
Collaborative Solutions API, LLC	United States
Collaborative Solutions Holdings, LLC	United States
Collaborative Solutions MidCo, LLC	United States
Collaborative Solutions Northern Holdings, LLC	United States
collaborative solutions, LLC	United States
Contino Holdings, Inc.	United States
Contino US, LLC	United States
CSS Investment LLC	United States
Devbridge Group LLC	United States
LZ Lifescience US Inc.	United States

**Name of the entity****Jurisdiction**

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MediCall	United States
Mustache TV LLC	United States
Mustache, LLC	United States
Prospective Payment Specialists, Inc.	United States
Receivables Outsourcing, LLC	United States
ROI Access Management Services, LLC	United States
ROI Holding Company, LLC	United States
Softvision Consulting, LLC	United States
Tin Roof Software, LLC	United States
TMG Health, Inc.	United States
TQS Integration LLC	United States
TriZetto Provider Solutions, LLC	United States
Zentek Automation US Inc.	United States

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-226015, 333-218543, 333-191249, 333-160450, 333-169534 and 333-114464) of Cognizant Technology Solutions Corporation of our report dated February 16, 2022, relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

New York, New York

February 16, 2022

## CERTIFICATION

I, Brian Humphries, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cognizant Technology Solutions Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 16, 2022

/s/ BRIAN HUMPHRIES

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Brian Humphries  
Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION

I, Jan Siegmund, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cognizant Technology Solutions Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 16, 2022

/s/ JAN SIEGMUND

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Jan Siegmund  
Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002\***

In connection with the Annual Report on Form 10-K of Cognizant Technology Solutions Corporation (the “Company”) for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Brian Humphries, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 16, 2022

/s/ BRIAN HUMPHRIES

Brian Humphries  
Chief Executive Officer  
(Principal Executive Officer)

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\* A signed original of this written statement required by Section 906 has been provided to Cognizant Technology Solutions Corporation and will be retained by Cognizant Technology Solutions Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002\***

In connection with the Annual Report on Form 10-K of Cognizant Technology Solutions Corporation (the "Company") for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jan Siegmund, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 16, 2022

/s/ JAN SIEGMUND

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Jan Siegmund  
Chief Financial Officer  
(Principal Financial Officer)

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\* A signed original of this written statement required by Section 906 has been provided to Cognizant Technology Solutions Corporation and will be retained by Cognizant Technology Solutions Corporation and furnished to the Securities and Exchange Commission or its staff upon request.