

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended October 31, 2018.
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from _____ to _____.

COMMISSION FILE NUMBER 001-09235



THOR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	93-0768752
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
601 E. Beardsley Ave., Elkhart, IN	46514-3305
(Address of principal executive offices)	(Zip Code)
(574) 970-7460	
(Registrant's telephone number, including area code)	
None	
(Former name, former address and former fiscal year, if changed since last report)	

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, 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of October 31, 2018, 52,806,981 shares of the registrant's common stock, par value \$0.10 per share, were outstanding.

PART I – FINANCIAL INFORMATION (Unless otherwise indicated, amounts in thousands except share and per share data.)

ITEM 1. FINANCIAL STATEMENTS

THOR INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	October 31, 2018	July 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 224,921	\$ 275,249
Accounts receivable, trade, net	483,543	467,488
Accounts receivable, other, net	20,248	19,747
Inventories, net	565,346	537,909
Prepaid income taxes, expenses and other	30,898	11,281
Total current assets	<u>1,324,956</u>	<u>1,311,674</u>
Property, plant and equipment, net	<u>543,697</u>	<u>522,054</u>
Other assets:		
Goodwill	377,693	377,693
Amortizable intangible assets, net	375,757	388,348
Deferred income taxes, net	80,872	78,444
Equity investment in joint venture	46,980	48,463
Other	50,473	51,989
Total other assets	<u>931,775</u>	<u>944,937</u>
TOTAL ASSETS	<u>\$ 2,800,428</u>	<u>\$ 2,778,665</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 255,512	\$ 286,974
Accrued liabilities:		
Compensation and related items	84,695	97,122
Product warranties	271,749	264,928
Income and other taxes	14,424	19,345
Promotions and rebates	68,565	59,133
Product, property and related liabilities	12,767	17,815
Dividends payable	20,595	—
Foreign currency forward contract liability	42,555	—
Other	28,903	24,013
Total current liabilities	<u>799,765</u>	<u>769,330</u>
Unrecognized tax benefits	13,093	12,446
Other liabilities	59,224	59,148
Total long-term liabilities	<u>72,317</u>	<u>71,594</u>
Contingent liabilities and commitments		
Stockholders' equity:		
Preferred stock – authorized 1,000,000 shares; none outstanding	—	—
Common stock – par value of \$.10 per share; authorized 250,000,000 shares; issued 62,933,415 and 62,765,824 shares, respectively	6,293	6,277
Additional paid-in capital	259,303	252,204
Retained earnings	2,010,896	2,022,988
Less treasury shares of 10,126,434 and 10,070,459, respectively, at cost	(348,146)	(343,728)
Total stockholders' equity	<u>1,928,346</u>	<u>1,937,741</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,800,428</u>	<u>\$ 2,778,665</u>

See Notes to the Condensed Consolidated Financial Statements.

THOR INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED OCTOBER 31, 2018 AND 2017 (UNAUDITED)

	Three Months Ended October 31,	
	2018	2017
Net sales	\$ 1,755,976	\$ 2,231,668
Cost of products sold	1,548,720	1,898,483
Gross profit	207,256	333,185
Selling, general and administrative expenses	102,693	134,263
Amortization of intangible assets	12,591	13,558
Acquisition-related costs	57,089	—
Interest income	1,222	381
Interest expense	876	1,412
Other income (expense), net	(3,712)	2,758
Income before income taxes	31,517	187,091
Income taxes	17,564	58,685
Net income and comprehensive income	\$ 13,953	\$ 128,406
Weighted-average common shares outstanding:		
Basic	52,726,496	52,611,926
Diluted	52,899,603	52,818,363
Earnings per common share:		
Basic	\$ 0.26	\$ 2.44
Diluted	\$ 0.26	\$ 2.43
Regular dividends declared per common share	\$ 0.39	\$ 0.37

See Notes to the Condensed Consolidated Financial Statements.

THOR INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2018 AND 2017 (UNAUDITED)

	Three Months Ended October 31,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 13,953	\$ 128,406
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	10,467	9,140
Amortization of intangibles	12,591	13,558
Amortization of debt issuance costs	393	393
Foreign currency forward contract loss	42,555	—
Deferred income tax benefit	(751)	(5,356)
Gain on disposition of property, plant and equipment	(30)	(1,470)
Stock-based compensation expense	4,530	4,318
Changes in assets and liabilities:		
Accounts receivable	(16,556)	(152,921)
Inventories	(27,437)	(56,840)
Prepaid income taxes, expenses and other	(17,011)	(2,409)
Accounts payable	(29,150)	33,471
Accrued liabilities	(10,218)	39,892
Long-term liabilities and other	830	3,233
Net cash provided by (used in) operating activities	<u>(15,834)</u>	<u>13,415</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(34,453)	(34,283)
Proceeds from dispositions of property, plant and equipment	61	3,526
Other	—	641
Net cash used in investing activities	<u>(34,392)</u>	<u>(30,116)</u>
Cash flows from financing activities:		
Principal payments on revolving credit facility	—	(55,000)
Principal payments on capital lease obligations	(102)	(94)
Net cash used in financing activities	<u>(102)</u>	<u>(55,094)</u>
Net decrease in cash and cash equivalents	(50,328)	(71,795)
Cash and cash equivalents, beginning of period	275,249	223,258
Cash and cash equivalents, end of period	<u>\$ 224,921</u>	<u>\$ 151,463</u>
Supplemental cash flow information:		
Income taxes paid	\$ 45,203	\$ 73,720
Interest paid	\$ 458	\$ 1,161
Non-cash investing and financing transactions:		
Capital expenditures in accounts payable	\$ 3,063	\$ 4,075
Regular quarterly dividends payable	\$ 20,595	\$ 19,497

See Notes to the Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(All dollar amounts presented in thousands except share and per share data)

1. Nature of Operations and Accounting Policies**Nature of Operations**

Thor Industries, Inc. was founded in 1980 and, through its subsidiaries (collectively, the "Company"), currently manufactures a wide range of recreational vehicles ("RVs") at various manufacturing facilities located primarily in Indiana, with additional facilities in Ohio, Oregon, Idaho and Michigan. These products are sold to independent, non-franchise dealers primarily throughout the United States and Canada. As discussed in more detail in Note 16 to the Condensed Consolidated Financial Statements, on September 18, 2018, the Company entered into a definitive agreement to acquire the Erwin Hymer Group SE ("Erwin Hymer Group"), the largest RV manufacturer in Europe by revenue. Unless the context requires or indicates otherwise, all references to "Thor," the "Company," "we," "our" and "us" refer to Thor Industries, Inc. and its subsidiaries.

The July 31, 2018 amounts are derived from the annual audited financial statements. The interim financial statements are unaudited. In the opinion of management, all adjustments (which consist of normal, recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented have been made. These financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2018. Due to seasonality within the recreational vehicle industry, among other factors, annualizing the results of operations for the three months ended October 31, 2018 would not necessarily be indicative of the results expected for a full fiscal year.

Adoption of Revenue Recognition Accounting Standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The Company adopted ASU No. 2014-09, and all the related amendments, as of August 1, 2018, using the modified retrospective method related to all contracts as of the date of adoption. The cumulative effect of the adoption was recognized as an increase to accrued promotions and rebates of \$7,127, an increase of \$1,677 in deferred income tax assets, net and a \$5,450 net-of-tax decrease to retained earnings as of August 1, 2018 on the Condensed Consolidated Balance Sheet and as reflected in Note 14 to the Condensed Consolidated Financial Statements. As of and for the three months ended October 31, 2018, accrued promotions and rebates increased \$733 on a pre-tax basis and Net sales were reduced by the same amount as a result of the application of this new standard. The comparative financial statements for prior periods have not been adjusted.

The adoption impact is a result of a change in the accounting for certain sales incentives, which were historically recorded as a reduction of revenue at the later of the time products were sold or the date the incentive was offered. Upon adoption of ASU No. 2014-09, these incentives are now estimated and recorded at the time of sale, which is primarily upon shipment to customers. This new standard only changes the timing of when these sales incentives are recognized, and does not change the total amount of revenue recognized. The Company did not elect to separately evaluate contract modifications occurring before the adoption date. See Note 17 to the Condensed Consolidated Financial Statements for further discussion of the Company's revenue recognition policies and practices.

Other Accounting Pronouncements Not Yet Adopted

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment," which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge (referred to as Step 2 in the goodwill impairment test). Instead, if the carrying amount of a reporting unit exceeds its fair value, an impairment charge equal to that excess shall be recognized, not to exceed the amount of goodwill allocated to the reporting unit. This ASU is effective for annual and any interim impairment tests for periods beginning after December 15, 2019, with early adoption permitted after January 1, 2017. This ASU is effective for the Company in its fiscal year 2021 beginning on August 1, 2020. The Company is currently evaluating the impact of this ASU on its consolidated financial statements, which will depend on the outcomes of future goodwill impairment tests.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," which provides guidance on the recognition, measurement, presentation, and disclosure of leases. ASU No. 2016-02 requires the recognition of lease assets and lease liabilities by lessees for all leases with terms greater than 12 months. The principal difference from current guidance is that the lease assets and lease liabilities arising from operating leases will be recognized on the Consolidated Balance Sheet. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. This ASU is effective for the Company in its fiscal year 2020 beginning on August 1, 2019. The Company is currently evaluating the impact that implementing this ASU will have on its consolidated financial statements.

2. Business Segments

The Company has two reportable segments, both related to recreational vehicles: (1) towables and (2) motorized. The towable recreational vehicle reportable segment consists of the following operating segments that have been aggregated: Airstream (towable), Heartland (including Bison, Cruiser RV and DRV), Jayco (including Jayco towable, Starcraft and Highland Ridge), Keystone (including CrossRoads and Dutchmen) and KZ (including Venture RV). The motorized recreational vehicle reportable segment consists of the following operating segments that have been aggregated: Airstream (motorized), Jayco (including Jayco motorized and Entegra Coach) and Thor Motor Coach.

The operations of the Company's Postle subsidiary are included in "Other," which is a non-reportable segment. Net sales included in Other mainly relate to the sale of aluminum extrusions and specialized component products. Intercompany eliminations adjust for Postle sales to the Company's towable and motorized segments, which are consummated at established transfer prices generally consistent with the selling prices of extrusion components to third-party customers.

All manufacturing is currently conducted within the United States. Total assets include those assets used in the operation of each reportable and non-reportable segment, and the Corporate assets consist primarily of cash and cash equivalents, deferred income taxes, deferred compensation plan assets and certain Corporate real estate holdings primarily utilized by Thor operating subsidiaries.

	Three Months Ended October 31,	
	2018	2017
Net sales:		
Recreational vehicles		
Towables	\$ 1,279,098	\$1,618,501
Motorized	431,198	566,611
Total recreational vehicles	1,710,296	2,185,112
Other	73,848	82,919
Intercompany eliminations	(28,168)	(36,363)
Total	\$ 1,755,976	\$2,231,668

	Three Months Ended October 31,	
	2018	2017
Income (loss) before income taxes:		
Recreational vehicles		
Towables	\$ 74,550	\$ 158,851
Motorized	21,712	37,586
Total recreational vehicles	96,262	196,437
Other, net	5,910	8,483
Corporate	(70,655)	(17,829)
Total	\$ 31,517	\$ 187,091

	October 31, 2018	
	July 31, 2018	
Total assets:		
Recreational vehicles		
Towables	\$ 1,682,272	\$1,654,361
Motorized	506,706	492,830
Total recreational vehicles	2,188,978	2,147,191
Other, net	174,151	167,965
Corporate	437,299	463,509
Total	\$ 2,800,428	\$2,778,665

	Three Months Ended October 31,	
	2018	2017
Depreciation and intangible amortization expense:		
Recreational vehicles		
Towables	\$ 16,631	\$ 16,793
Motorized	3,436	2,728
Total recreational vehicles	20,067	19,521
Other	2,574	2,809
Corporate	417	368
Total	\$23,058	\$22,698

	Three Months Ended October 31,	
	2018	2017
Capital acquisitions:		
Recreational vehicles		
Towables	\$22,242	\$ 17,592
Motorized	7,419	12,315
Total recreational vehicles	29,661	29,907
Other	2,444	610
Corporate	36	1575
Total	\$32,141	\$32,092

3. Earnings Per Common Share

The following table reflects the weighted-average common shares used to compute basic and diluted earnings per common share as included on the Condensed Consolidated Statements of Income and Comprehensive Income:

	Three Months Ended October 31,	
	2018	2017
Weighted-average shares outstanding for basic earnings per share	52,726,496	52,611,926
Unvested restricted stock units	173,107	206,437
Weighted-average shares outstanding assuming dilution	52,899,603	52,818,363

At October 31, 2018 and 2017, the Company had 152,279 and 46,692 unvested restricted stock units outstanding, respectively, which were excluded from this calculation as their effect would be antidilutive.

4. Investments and Fair Value Measurements

The Company assesses the inputs used to measure the fair value of certain assets and liabilities using a three-level hierarchy as prescribed in ASC 820, "Fair Value Measurements and Disclosures," and as discussed in Note 10 in the Notes to the Consolidated Financial Statements in our fiscal 2018 Form 10-K.

The financial assets that were accounted for at fair value on a recurring basis at October 31, 2018 and July 31, 2018 are as follows:

	<u>Input Level</u>	<u>October 31, 2018</u>	<u>July 31, 2018</u>
Cash equivalents	Level 1	\$ 181,235	\$ 230,319
Deferred compensation plan assets and liabilities	Level 1	\$ 43,275	\$ 43,316
Foreign currency forward contract liability	Level 3	\$ 42,555	\$ —

Cash equivalents represent investments in government and other money market funds traded in an active market, and are reported as a component of Cash and cash equivalents in the Condensed Consolidated Balance Sheets.

Deferred compensation plan assets represent investments in securities (primarily mutual funds) traded in an active market held for the benefit of certain employees of the Company as part of a deferred compensation plan. Deferred compensation plan asset balances are recorded as a component of Other long-term assets in the Condensed Consolidated Balance Sheets. An equal and offsetting liability is also recorded in regards to the deferred compensation plan as a component of Other long-term liabilities in the Condensed Consolidated Balance Sheets. Changes in the fair value of the plan assets and the related liability are reflected in Other income, net and Selling, general and administrative expenses, respectively, in the Condensed Consolidated Statements of Income and Comprehensive Income.

See Note 15 to the Condensed Consolidated Financial Statements for a discussion of the foreign currency forward contract liability, including further information as to the inputs used to determine fair value.

5. Inventories

Major classifications of inventories are as follows:

	<u>October 31, 2018</u>	<u>July 31, 2018</u>
Finished goods – RV	\$ 92,990	\$ 44,998
Finished goods – other	26,059	35,320
Work in process	120,844	124,703
Raw materials	262,318	258,429
Chassis	106,684	116,308
Subtotal	608,895	579,758
Excess of FIFO costs over LIFO costs	(43,549)	(41,849)
Total inventories, net	<u>\$ 565,346</u>	<u>\$ 537,909</u>

Of the \$608,895 and \$579,758 of inventories at October 31, 2018 and July 31, 2018, \$311,120 and \$305,990, respectively, was valued on the last-in, first-out (LIFO) basis, and \$297,775 and \$273,768, respectively, was valued on the first-in, first-out (FIFO) method.

6. Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation, and consists of the following:

	October 31, 2018	July 31, 2018
Land	\$ 61,738	\$ 57,413
Buildings and improvements	487,865	468,824
Machinery and equipment	205,533	197,294
Total cost	755,136	723,531
Less accumulated depreciation	(211,439)	(201,477)
Property, plant and equipment, net	\$ 543,697	\$ 522,054

Property, plant and equipment at both October 31, 2018 and July 31, 2018 includes buildings and improvements under capital leases of \$6,527 and related amortization included in accumulated depreciation of \$1,904 and \$1,768 at October 31, 2018 and July 31, 2018, respectively.

7. Intangible Assets and Goodwill

The components of amortizable intangible assets are as follows:

	Weighted-Average Remaining Life in Years at October 31, 2018	October 31, 2018		July 31, 2018	
		Cost	Accumulated Amortization	Cost	Accumulated Amortization
Dealer networks/customer relationships	15	\$ 404,960	\$ 157,571	\$ 404,960	\$ 147,077
Trademarks	17	146,117	26,136	146,117	24,364
Design technology and other intangibles	7	18,200	9,858	18,200	9,555
Non-compete agreements	1	450	405	450	383
Total amortizable intangible assets		\$ 569,727	\$ 193,970	\$ 569,727	\$ 181,379

Estimated annual amortization expense is as follows:

For the fiscal year ending July 31, 2019	\$ 50,043
For the fiscal year ending July 31, 2020	46,194
For the fiscal year ending July 31, 2021	42,860
For the fiscal year ending July 31, 2022	37,753
For the fiscal year ending July 31, 2023	30,291
For the fiscal year ending July 31, 2024 and thereafter	181,207
	<u>\$388,348</u>

Of the recorded goodwill of \$377,693 at both October 31, 2018 and July 31, 2018, \$334,822 relates to the towable recreational vehicle reportable segment and \$42,871 relates to the Other non-reportable segment.

8. Equity Investment

As discussed in the Company's fiscal 2018 Form 10-K, in February 2018, the Company formed a joint venture with Tourism Holdings Limited (" *thl* ") called TH2connect, LLC ("TH2").

The Company's investment in TH2 is accounted for under the equity method of accounting. The Company's share of the losses of this investment, which are included in its operating results for the three months ended October 31, 2018, was \$1,483 and is included in Other income (expense), net in the Condensed Consolidated Statements of Income and Comprehensive Income.

9. Concentration of Risk

One dealer, FreedomRoads, LLC, accounted for 24% and 23% of the Company's consolidated net sales for the three-month periods ended October 31, 2018 and October 31, 2017, respectively. Sales to this dealer are reported within both the towables and motorized segments. This dealer also accounted for 24% of the Company's consolidated trade accounts receivable at October 31, 2018 and 26% at July 31, 2018. The loss of this dealer could have a material effect on the Company's business.

10. Product Warranties

As discussed in the Company's fiscal 2018 Form 10-K, the Company generally provides retail customers of its products with a one-year or two-year warranty covering defects in material or workmanship, with longer warranties on certain structural components.

Changes in our product warranty liabilities during the indicated periods are as follows:

	Three Months Ended October 31,	
	2018	2017
Beginning balance	\$264,928	\$216,781
Provision	69,767	63,833
Payments	(62,946)	(48,615)
Ending balance	<u>\$271,749</u>	<u>\$231,999</u>

11. Long-Term Debt

The Company has a five-year credit agreement, which was entered into on June 30, 2016 and matures on June 30, 2021. See Note 12 in the Notes to the Consolidated Financial Statements in our fiscal 2018 Form 10-K for details regarding the credit agreement. There were no borrowings outstanding under this facility at October 31, 2018 or July 31, 2018, or at any time during the three-month period ended October 31, 2018. As of October 31, 2018, the available and unused credit line under the revolver was \$495,657, and the Company was in compliance with the financial covenant in the credit agreement.

The Company recorded charges related to the amortization of the fees incurred to obtain this facility, which are classified as interest expense, of \$393 for each of the three-month periods ended October 31, 2018 and October 31, 2017. The unamortized balances of these facility fees were \$4,186 at October 31, 2018 and \$4,579 at July 31, 2018, and are included in Other long-term assets in the Condensed Consolidated Balance Sheets.

12. Provision for Income Taxes

The overall effective income tax rate for the three months ended October 31, 2018 was 55.7%. This rate includes the effect of the non-deductible foreign currency forward contract loss, as noted in Note 15 to the Condensed Consolidated Financial Statements, and the effects of the enactment of the Tax Cuts and Jobs Act on December 22, 2017, which include, but are not limited to, a reduction in the US federal corporate income tax rate to 21.0%, the repeal of the domestic production deduction, additional limitations on the deductibility of interest expense and expanded limitations on the deductibility of executive compensation. Under current federal income tax law, the foreign currency forward contract is characterized as a component of the overall pending acquisition of the Erwin Hymer Group discussed in Note 16 to the Condensed Consolidated Financial Statements. As a result, the foreign currency forward contract loss recognized for financial statement purposes is non-deductible for federal income tax purposes.

Within the next 12 months, the Company anticipates a decrease of approximately \$2,300 in unrecognized tax benefits, and \$450 in accrued interest related to unrecognized tax benefits recorded as of October 31, 2018, from expected settlements or payments of uncertain tax positions and lapses of the applicable statutes of limitations. Actual results may differ from these estimates.

Generally, fiscal years 2015 through 2017 remain open for federal income tax purposes, and fiscal years 2013 through 2017 remain open for state and Canadian income tax purposes. The Company recently completed an exam by the State of Indiana for the fiscal years ended July 31, 2013 through 2015. A formal protest was submitted in response to the exam. The Company believes it has adequately reserved for its exposure to additional payments for uncertain tax positions related to its State of Indiana income tax returns in its liability for unrecognized tax benefits.

13. Contingent Liabilities, Commitments and Legal Matters

The Company's total commercial commitments under standby repurchase obligations on dealer inventory financing, as discussed in Note 14 to the Consolidated Financial Statements in our fiscal 2018 Form 10-K, were \$2,622,560 and \$2,748,465 as of October 31, 2018 and July 31, 2018, respectively. The commitment term is generally up to eighteen months.

As discussed in the Company's fiscal 2018 Form 10-K, the Company accounts for the guarantee under repurchase agreements of dealers' financing by deferring a portion of the related product sale that represents the estimated fair value of the guarantee at inception. This deferred amount is included in the repurchase and guarantee reserve balances of \$7,232 and \$7,400 as of October 31, 2018 and July 31, 2018, respectively, which are included in Other current liabilities in the Condensed Consolidated Balance Sheets.

Losses incurred related to repurchase agreements during the three-month periods ended October 31, 2018 and October 31, 2017 were not material. Based on current market conditions, the Company believes that any future losses under these agreements will not have a material effect on the Company's consolidated financial position, results of operations or cash flows.

The Company is also involved in certain litigation arising out of its operations in the normal course of its business, most of which is based upon state "lemon laws," warranty claims and vehicle accidents (for which the Company carries insurance above a specified self-insured retention or deductible amount). The outcomes of legal proceedings and claims brought against the Company are subject to significant uncertainty. There is significant judgment required in assessing both the probability of an adverse outcome and the determination as to whether an exposure can be reasonably estimated. Based on current conditions, in management's opinion the ultimate disposition of any current legal proceedings or claims against the Company will not have a material effect on the Company's financial condition, operating results or cash flows. Litigation is, however, inherently uncertain and an adverse outcome from such litigation could have a material effect on the operating results of a particular reporting period.

14. Stockholders' Equity

Stock-Based Compensation

Under the Company's restricted stock unit ("RSU") program, as discussed in Note 17 in the Notes to the Consolidated Financial Statements in our fiscal 2018 Form 10-K, RSU awards have been approved each October related to the financial performance of the most recently completed fiscal year since October 2012. The awarded employee restricted stock units vest, and shares of common stock are issued, in equal installments on the first, second and third anniversaries of the date of grant. In addition, concurrent with the timing of the employee awards, the Nominating and Governance Committee of the Board of Directors ("Board") has awarded restricted stock units to Board members that will vest, and shares of common stock will be issued, on the first anniversary of the date of the grant.

Total expense recognized in the three-month periods ended October 31, 2018 and October 31, 2017 for these restricted stock unit awards and other stock-based compensation was \$4,530 and \$4,318, respectively.

For the restricted stock units that vested during the three-month periods ended October 31, 2018 and October 31, 2017, portions of the vested shares awarded were withheld as treasury shares to cover the recipients' estimated withholding taxes. The total related taxes withheld of \$4,418, to be paid by the Company on behalf of the recipients of these awards, is included in Compensation and related items in the Condensed Consolidated Balance Sheets and will be paid in the second quarter of fiscal 2019.

Share Repurchase Program

As discussed in the Company's 2018 Form 10-K, on June 19, 2018, the Company's Board of Directors authorized Company management to utilize up to \$250,000 to purchase shares of the Company's common stock through June 19, 2020. There were no repurchases under this program during the three-month period ended October 31, 2018.

Retained Earnings

The components of the change in retained earnings are as follows:

Balance as of July 31, 2018	\$2,022,988
Cumulative effect of the change in accounting principle, net of tax	(5,450)
Net income	13,953
Dividends declared but not paid	(20,595)
Balance as of October 31, 2018	<u>\$2,010,896</u>

The cumulative effect of the change in accounting principle relates to the adoption of the new revenue recognition standard as discussed in Note 1 to the Condensed Consolidated Financial Statements.

During the first quarter of fiscal 2019, the Company's Board approved and declared the payment of a regular quarterly dividend of \$0.39 per share for the first quarter of fiscal 2019. This dividend, totaling \$20,595, is included in Dividends Payable in the Condensed Consolidated Balance Sheets as of October 31, 2018 and was paid in the second quarter of fiscal 2019.

15. Foreign Currency Forward Contract

As described in more detail in Note 16 to the Condensed Consolidated Financial Statements, on September 18, 2018, the Company entered into a definitive agreement to acquire the Erwin Hymer Group SE ("Erwin Hymer Group"), the largest RV manufacturer in Europe by revenue. The purchase price will be paid with a combination of Thor common stock and approximately 1.7 billion Euro in cash, and therefore changes in the Euro/USD exchange rate between the September 18, 2018 agreement date and the closing date could cause the purchase price to fluctuate, affecting the Company's cash flows.

In order to reduce its exposure to foreign currency exchange rate changes in relation to the acquisition of the Erwin Hymer Group, the Company entered into a deal-contingent, foreign currency forward contract on the agreement date in the amount of 1.625 billion Euro.

Hedge accounting has not been applied to this instrument, and therefore all changes in fair value during the period are reported in current period earnings.

The fair value of the foreign currency forward contract, calculated based on a probability-weighted assessment using both Level 2 and Level 3 inputs, was \$42,555 as of October 31, 2018, and is included as a current liability in the Condensed Consolidated Balance Sheet. The Level 2 inputs used in determining fair value are based on information obtained from third-party sources and include the spot rate and market-forward points. Fair value is also determined using Level 3 inputs, which are significant to the fair value measurement total. These inputs relate to the deal-contingent element of the contract and include the probability of completing the acquisition and the timing thereof. The probability of completing the transaction was assessed as more likely than not, using four possible closing dates. Any significant changes in the currency spot rate, forward points or probability-weighted assessment of closing could result in a significant change in the fair value of this foreign currency forward contract. The Level 3 inputs and their application into the probability-weighted assessment are evaluated and reviewed by senior legal and financial management of the Company at least quarterly or upon settlement. The Company recognized a non-cash charge related to this contract of \$42,555 during the three months ended October 31, 2018, which is included in Acquisition-related costs in the Condensed Consolidated Statements of Income and Comprehensive Income.

16. Pending Acquisition

On September 18, 2018, the Company and the shareholders of Erwin Hymer Group announced that they entered into a definitive agreement for the Company to acquire Erwin Hymer Group. In accordance with the agreement, consideration to be paid to the sellers at closing will consist of approximately 1.7 billion Euro in cash and equity consisting of approximately 2.3 million shares of the Company. The Company will also assume responsibility for the debt of Erwin Hymer Group, which approximated 440 million Euro at October 31, 2018.

The Erwin Hymer Group is headquartered in Bad Waldsee, Germany, and is the largest RV manufacturer in Europe, by revenue. The transaction is subject to customary closing conditions, including regulatory approvals. The transaction is expected to close near the end of calendar 2018.

The Company plans to finance the acquisition primarily through debt financing. In connection with the planned acquisition, the Company has obtained financing commitments for a 5 year, \$750 million asset-based credit facility (ABL) and a 7 year, \$2.3 billion term loan. The ABL has no required annual minimum payments, will carry interest at LIBOR plus 1.25% to 1.75% based on availability as defined in the ABL agreement, includes a 0.25% unused facility fee and carries a springing minimum fixed charge coverage ratio of 1.0x. The term loan will consist of a U.S. tranche and a Euro tranche, with the interest rate on the U.S. portion at LIBOR plus 3.75% and the interest rate on the Euro portion at EURIBOR plus 4.0%, with interest on both tranches payable quarterly. Both term loan tranches will have annual required payments of 1.0% of the initial term loan balance, payable quarterly in 0.25% installments. Ticking fees on the term loan, as defined in the financing commitments, will also apply starting December 4, 2018.

Costs incurred during the three months ended October 31, 2018 related specifically to this acquisition are included in Acquisition-related costs in the Condensed Consolidated Statements of Income and Comprehensive Income. These costs include the change in the fair value of the foreign currency forward contract of \$42,555 discussed in Note 15 above, and \$14,534 of other expenses, consisting primarily of legal, professional and advisory fees related to financial due diligence and preliminary implementation costs, rating agency fees related to obtaining financing commitments and regulatory review costs.

17. Revenue Recognition

Revenue is recognized as performance obligations under the terms of contracts with customers are satisfied. The Company's contracts have a single performance obligation of providing the promised goods (recreational vehicles and extruded aluminum components), which is satisfied when control of the goods is transferred to the customer. Dealers do not have a right of return. All warranties provided are assurance-type warranties.

For recreational vehicle sales, the Company recognizes revenue when all performance obligations have been satisfied and control of the product is transferred to the dealer in accordance with shipping terms, primarily FOB shipping point. For sales made to dealers financing their purchases under flooring arrangements with banks or finance companies, revenue is not recognized until written or oral financing approval has been received from the floorplan lender. The Company recognizes revenue on credit sales upon product shipment, and sales with cash-on-delivery terms upon receiving payment, at which points the criteria for establishing a contract have been fully satisfied.

Revenue from the sale of extruded aluminum components is recognized when all performance obligations have been satisfied and control of the products is transferred to the customer, which is generally upon delivery to the customer's location.

Revenue is measured as the amount of consideration expected to be entitled in exchange for the Company's products. The amount of revenue recognized includes adjustments for any variable consideration, such as sales discounts, sales allowances, promotions, rebates and other sales incentives which are included in the transaction price and allocated to each performance obligation based on the standalone selling price. The Company estimates variable consideration based on the expected value of total consideration to which customers are likely to be entitled to based primarily on historical experience and current market conditions. Included in the estimate is an assessment as to whether any variable consideration is constrained. Revenue estimates are adjusted at the earlier of a change in the expected value of consideration or when the consideration becomes fixed. During the three-month period ended October 31, 2018, adjustments to revenue from performance obligations satisfied in prior periods, which relate primarily to changes in estimated variable consideration, were immaterial.

Amounts billed to customers related to shipping and handling activities are included in net sales. In adopting ASC 606, shipping and handling costs have been elected to be accounted for as fulfillment activities, and are included in cost of sales.

The table below disaggregates revenue to the level that the Company believes best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors. All revenue streams are considered point in time.

	Three Months Ended October 31, 2018	Three Months Ended October 31, 2017
NET SALES:		
Towables		
Travel Trailers and Other	\$ 761,484	\$ 993,604
Fifth Wheels	517,614	624,897
Total Towables	1,279,098	1,618,501
Motorized		
Class A	227,274	252,423
Class C	184,384	286,666
Class B	19,540	27,522
Total Motorized	431,198	566,611
Other, primarily aluminum extruded components	73,848	82,919
Intercompany eliminations	(28,168)	(36,363)
Total	<u>\$ 1,755,976</u>	<u>\$ 2,231,668</u>

Other Practical Expedients

We do not disclose information about the transaction price allocated to the remaining performance obligations at period end because our contracts generally have original expected durations of one year or less. In addition, we expense when incurred contract acquisition costs, primarily sales commissions, because the amortization period would be one year or less.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated, all dollar amounts are presented in thousands except share and per share data.

Forward Looking Statements

This report includes certain statements that are "forward looking" statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements are made based on management's current expectations and beliefs regarding future and anticipated developments and their effects upon Thor, and inherently involve uncertainties and risks. These forward looking statements are not a guarantee of future performance. We cannot assure you that actual results will not differ materially from our expectations. Factors which could cause materially different results include, among others, raw material and commodity price fluctuations; raw material, commodity or chassis supply restrictions; the impact of tariffs on material or other input costs; the level and magnitude of warranty claims incurred; legislative, regulatory and tax law and/or policy developments including their potential impact on our dealers and their retail customers or on our suppliers; the costs of compliance with governmental regulation; legal and compliance issues including those that may arise in conjunction with recently completed or announced transactions; lower consumer confidence and the level of discretionary consumer spending; interest rate fluctuations; the potential impact of interest rate fluctuations on the general economy and specifically on our dealers and consumers; restrictive lending practices; management changes; the success of new and existing products and services; consumer preferences; the ability to efficiently utilize production facilities; the pace of acquisitions and the successful closing, integration and financial impact thereof; the potential loss of existing customers of acquisitions; our ability to retain key management personnel of acquired companies; a shortage of necessary personnel for production; the loss or reduction of sales to key dealers; disruption of the delivery of units to dealers; increasing costs for freight and transportation; asset impairment charges; cost structure changes; competition; the impact of potential losses under repurchase agreements; the potential impact of the strength of the U.S. dollar on international demand; general economic, market and political conditions; and changes to investment and capital allocation strategies or other facets of our strategic plan. Additional risks and uncertainties surrounding the acquisition of Erwin Hymer Group SE (the "Erwin Hymer Group") include risks regarding the anticipated timing of the closing of the acquisition, the potential benefits of the proposed acquisition and the anticipated operating synergies, the satisfaction of the conditions to closing the acquisition in the anticipated timeframe or at all, the integration of the business, changes in Euro-U.S. dollar exchange rates that could impact the mark-to-market value of outstanding derivative instruments, the impact of exchange rate fluctuations and unknown or understated liabilities related to the acquisition and Erwin Hymer Group's business. These and other risks and uncertainties are discussed more fully in Item 1A of our Annual Report on Form 10-K for the year ended July 31, 2018.

We disclaim any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this report or to reflect any change in our expectations after the date hereof or any change in events, conditions or circumstances on which any statement is based, except as required by law.

Executive Overview

We were founded in 1980 and have grown to be the largest manufacturer of RVs in North America. According to Statistical Surveys, Inc. ("Stat Surveys"), for the calendar year-to-date period ended September 30, 2018, Thor's combined U.S. and Canadian market share was approximately 50.2% for travel trailers and fifth wheels combined and approximately 40.0% for motorhomes. Our business model includes decentralized operating units, and our RV products are sold to independent, non-franchise dealers who, in turn, retail those products. Our growth has been achieved both organically and through acquisition, and our strategy is designed to increase our profitability by driving innovation, servicing our customers, manufacturing quality products, improving the efficiencies of our facilities and making strategic growth acquisitions.

Recent Events

Erwin Hymer Group Acquisition Agreement

On September 18, 2018, the Company and the shareholders of Erwin Hymer Group SE ("Erwin Hymer Group") announced that they entered into a definitive agreement for the Company to acquire Erwin Hymer Group. In accordance with the agreement, consideration to be paid to the sellers at closing will consist of approximately 1.7 billion Euro in cash and equity consisting of approximately 2.3 million shares of the Company. The Company will also assume responsibility for the debt of the Erwin Hymer Group, which approximated 440 million Euro at October 31, 2018.

The Erwin Hymer Group is headquartered in Bad Waldsee, Germany, and is the largest RV manufacturer in Europe, by revenue. The transaction is subject to customary closing conditions, including regulatory approvals. The transaction is expected to close near the end of calendar 2018.

The Company plans to finance the acquisition primarily through debt financing. In connection with the planned acquisition, the Company has obtained financing commitments for a 5 year, \$750 million asset-based credit facility and a 7 year, \$2.3 billion term loan.

All costs incurred in the three months ended October 31, 2018 related to this acquisition, including the foreign currency forward contract loss as discussed in Note 15 to the Condensed Consolidated Financial Statements, and certain legal, advisory and other costs, are included in Acquisition-related costs in the Condensed Consolidated Statements of Income and Comprehensive Income.

Share Repurchase Program

On June 19, 2018, the Company's Board of Directors authorized Company management to utilize up to \$250,000 to purchase shares of the Company's common stock through June 19, 2020. There were no repurchases under this program in the three-month period ended October 31, 2018.

Joint Venture

On February 15, 2018, the Company announced the formation of a joint venture with Tourism Holdings Limited (" *thl* ") called TH2connect, LLC ("TH2"). The Company and *thl* each have a 50% ownership position in TH2 and equal representation on the board of directors of TH2. The Company's investment in TH2 is accounted for under the equity method of accounting.

Tax Reform

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act"), was signed into law. The Tax Act includes numerous changes to tax laws impacting business, the most significant being a permanent reduction in the federal corporate income tax rate from 35.0% to 21.0%. The rate reduction took effect on January 1, 2018. As a result of other Tax Act changes, the Company's income tax rate for fiscal year 2019 will be impacted by, among other items, the repeal of the domestic production activities ("Code Section 199") deduction and limitations on the deductibility of executive compensation.

For fiscal 2019, after considering the lower federal income tax rate of 21.0%, an estimated blended state income tax rate, the elimination of the Code Section 199 deduction and the limitations on the deductibility of executive compensation, the Company currently estimates an overall effective income tax rate between 23.0% and 25.0%, before consideration of any discrete tax items.

While the Tax Act is expected to increase cash flow in the future, our main priorities for the use of current and future available cash generated from operations will continue to focus on funding our growth, both organically and through acquisitions, maintaining and growing our regular dividends over time, and reducing indebtedness. Strategic share repurchases or special dividends, as determined by the Company's Board, will also continue to be considered if and as permitted under any Company credit facilities in place at the time.

Industry Outlook

The Company monitors industry conditions in the RV market through the use of monthly wholesale shipment data as reported by the Recreation Vehicle Industry Association ("RVIA"), which is typically issued on a one-month lag and represents manufacturers' RV production and delivery to dealers. In addition, we monitor monthly retail sales trends as reported by Stat Surveys, whose data is typically issued on a month-and-a-half lag. The Company believes that monthly RV retail sales data is important as consumer purchases impact future dealer orders and ultimately our production.

RV dealer inventory of Thor products as of October 31, 2018 increased 4.9% to approximately 131,500 units, compared to approximately 125,400 units as of October 31, 2017. We believe our dealer inventory levels are approaching appropriate levels for seasonal consumer demand, although modestly elevated in certain locations due to several factors, and are progressing toward more normalized levels, as the year-over-year increase in dealer inventory levels at the prior quarter ended July 31, 2018, was a much larger 26.3%.

Thor's RV backlog as of October 31, 2018 decreased \$1,820,189, or 50.9%, to \$1,758,612 compared to \$3,578,801 as of October 31, 2017, with the decrease mainly attributable to our capacity expansions since the prior year, which allows for quicker production and delivery of units to dealers, and the existing dealer inventory levels noted above .

Industry Wholesale Statistics

Key wholesale statistics for the RV industry, as reported by RVIA for the periods indicated, are as follows:

	U.S. and Canada Wholesale Unit Shipments			
	Nine Months Ended September 30,		Increase (Decrease)	% Change
	2018	2017		
Towable Units	333,253	330,662	2,591	0.8
Motorized Units	45,465	47,333	(1,868)	(3.9)
Total	378,718	377,995	723	0.2

According to the most recent RVIA forecast in November 2018, shipments for towable and motorized units for the 2018 calendar year will approximate 422,200 and 56,800 units, respectively, which are 4.5% and 9.3% lower, respectively, than the corresponding 2017 calendar year wholesale shipments. The combined total of 479,000 units is 5.1% lower than the total calendar 2017 wholesale shipments of 504,599. Travel trailers and fifth wheels are expected to account for approximately 86% of all RV shipments in calendar year 2018. The outlook for calendar year 2018 growth in RV sales is based on the expectation of continued gains in jobs and disposable income. It also takes into account the impact of slowly rising interest rates, inflation and geopolitical risks.

RVIA has also forecasted that 2019 calendar year shipments for towables and motorized units will ease back to approximately 401,900 and 51,300 units, respectively, for a total of 453,200 units, a decline of 5.4% from the expected 2018 calendar year shipments. RVIA noted that except for the past two calendar years, total RV shipments for 2019 are expected to be higher than in any prior year since 1973.

Industry Retail Statistics

We believe that retail demand is the key to continued growth in the RV industry, and that annual RV industry wholesale shipments will generally approximate a one-to-one replenishment ratio with retail sales once dealer inventory levels are adjusted to generally normalized levels, which we expect to happen during the second half of fiscal 2019.

Key retail statistics for the RV industry, as reported by Stat Surveys for the periods indicated, are as follows:

	U.S. and Canada Retail Unit Registrations			
	Nine Months Ended September 30,		Increase	% Change
	2018	2017		
Towable Units	361,156	343,670	17,486	5.1
Motorized Units	46,987	46,400	587	1.3
Total	408,143	390,070	18,073	4.6

Note: Data reported by Stat Surveys is based on official state and provincial records. This information is subject to adjustment and is continuously updated, and is often impacted by delays in reporting by various states or provinces.

Company Wholesale Statistics

The Company's wholesale RV shipments, for the nine-month periods ended September 30, 2018 and 2017 to correspond to the industry wholesale periods noted above, were as follows:

	U.S. and Canada Wholesale Unit Shipments			
	Nine Months Ended September 30,		(Decrease)	% Change
	2018	2017		
Towable Units	168,949	174,201	(5,252)	(3.0)
Motorized Units	17,081	19,555	(2,474)	(12.7)
Total	186,030	193,756	(7,726)	(4.0)

Company Retail Statistics

Retail statistics of the Company's RV products, as reported by Stat Surveys, for the nine-month periods ended September 30, 2018 and 2017 to correspond to the industry retail periods noted above, were as follows:

	U.S. and Canada Retail Unit Registrations			
	Nine Months Ended September 30,		Increase	% Change
	2018	2017		
Towable Units	177,146	170,115	7,031	4.1
Motorized Units	18,813	18,339	474	2.6
Total	195,959	188,454	7,505	4.0

Note: Data reported by Stat Surveys is based on official state and provincial records. This information is subject to adjustment and is continuously updated, and is often impacted by delays in reporting by various states or provinces.

Our outlook for future growth in retail sales is dependent upon various economic conditions faced by consumers such as the rate of unemployment, the level of consumer confidence, the growth in disposable income of consumers, changes in interest rates, credit availability, the health of the housing market and changes in tax rates and fuel prices. Assuming continued stability or improvement in consumer confidence, availability of retail and wholesale credit, low interest rates with modest rate increases and the absence of negative economic factors, we would expect to see continued growth in the RV industry.

A positive outlook for the RV segment is supported by continued demographic diversification. While consumers between the ages of 55 and 74 still account for the majority of RV retail sales, there is strong interest and growing retail momentum with the younger "generation X" and "millennials" segments. Not surprisingly, behavioral attributes confirm these groups as being more active, tech savvy, well researched, open to new ideas, seeking new experiences and very family centric, specifically when it comes to cross-generational family activities like RV'ing, camping and time spent outdoors.

Since 2014, Kampgrounds of America (KOA) has measured an increase of 6 million new camper households and in 2018 projects a 45% rise in frequency among all camping families; largely driven by millennials with 6 in 10 having tried a new camping destination in 2017. Younger consumers are also redefining cultural views on "vacation" and opting instead for 50 to 100 mile getaways within driving distance to home or school. Given the importance younger consumers and millennial households place on family, quality experiences, technology and time, we are well-positioned to provide the innovative product offerings which deliver the lifestyle experiences that complement millennial expectations.

In addition to younger age demographics, there are opportunities to expand sales to a more ethnically diverse and global customer base through lifestyle, lifestage and data-driven marketing. We intend to expand upon our recent marketing initiatives that focus on diversity, women, families, millennials and the RV lifestyle across social, digital, web, acquisition, mobile and content marketing. In addition to providing best-in-class marketing and research assets to our dealers, we are committed to providing our end consumers with technology tools and RV lifestyle resources through our joint venture, TH2.

Economic or industry-wide factors affecting our RV business include the costs of commodities, the potential impact of tariffs on commodity costs, and the labor used in the manufacture of our products. Material and labor costs are the primary factors determining our cost of products sold, and any future increases in raw material or labor costs would impact our profit margins negatively if we were unable to offset those cost increases through a combination of product decontenting, material sourcing strategies, efficiency improvements or raising the selling prices for our products by corresponding amounts. Historically, we have generally been able to offset net cost increases over time.

We have not experienced any recent unusual supply constraints from our chassis suppliers. The recreational vehicle industry has, from time to time, experienced shortages of chassis for various reasons, including component shortages, production delays and work stoppages at the chassis manufacturers. These shortages have had a negative impact on our sales and earnings in the past. We believe that the current supply of chassis used in our motorized RV production is generally adequate for current production levels, and that available inventory would compensate for short-term changes in supply schedules if they occur.

Three Months Ended October 31, 2018 Compared to the Three Months Ended October 31, 2017

	Three Months Ended October 31, 2018	Three Months Ended October 31, 2017	Change Amount	% Change
NET SALES:				
Recreational vehicles				
Towables	\$ 1,279,098	\$ 1,618,501	\$ (339,403)	(21.0)
Motorized	431,198	566,611	(135,413)	(23.9)
Total recreational vehicles	1,710,296	2,185,112	(474,816)	(21.7)
Other	73,848	82,919	(9,071)	(10.9)
Intercompany eliminations	(28,168)	(36,363)	8,195	22.5
Total	\$ 1,755,976	\$ 2,231,668	\$ (475,692)	(21.3)

OF UNITS:

Recreational vehicles				
Towables	49,068	66,095	(17,027)	(25.8)
Motorized	4,366	6,843	(2,477)	(36.2)
Total	53,434	72,938	(19,504)	(26.7)

		% of Segment Net Sales		% of Segment Net Sales	Change Amount	% Change
GROSS PROFIT:						
Recreational vehicles						
Towables	\$ 153,692	12.0	\$ 256,713	15.9	\$ (103,021)	(40.1)
Motorized	44,230	10.3	63,903	11.3	(19,673)	(30.8)
Total recreational vehicles	197,922	11.6	320,616	14.7	(122,694)	(38.3)
Other, net	9,334	12.6	12,569	15.2	(3,235)	(25.7)
Total	\$ 207,256	11.8	\$ 333,185	14.9	\$ (125,929)	(37.8)

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

Recreational vehicles						
Towables	\$ 69,082	5.4	\$ 86,760	5.4	\$ (17,678)	(20.4)
Motorized	21,252	4.9	26,708	4.7	(5,456)	(20.4)
Total recreational vehicles	90,334	5.3	113,468	5.2	(23,134)	(20.4)
Other	2,089	2.8	2,569	3.1	(480)	(18.7)
Corporate	10,270	—	18,226	—	(7,956)	(43.7)
Total	\$ 102,693	5.8	\$ 134,263	6.0	\$ (31,570)	(23.5)

INCOME (LOSS) BEFORE INCOME TAXES:

Recreational vehicles						
Towables	\$ 74,550	5.8	\$ 158,851	9.8	\$ (84,301)	(53.1)
Motorized	21,712	5.0	37,586	6.6	(15,874)	(42.2)
Total recreational vehicles	96,262	5.6	196,437	9.0	(100,175)	(51.0)
Other, net	5,910	8.0	8,483	10.2	(2,573)	(30.3)
Corporate	(70,655)	—	(17,829)	—	(52,826)	(296.3)
Total	\$ 31,517	1.8	\$ 187,091	8.4	\$ (155,574)	(83.2)

ORDER BACKLOG:

	As of October 31, 2018	As of October 31, 2017	Change Amount	% Change
Recreational vehicles				
Towables	\$ 1,018,384	\$ 2,455,056	\$ (1,436,672)	(58.5)
Motorized	740,228	1,123,745	(383,517)	(34.1)
Total	\$ 1,758,612	\$ 3,578,801	\$ (1,820,189)	(50.9)

CONSOLIDATED

Consolidated net sales for the three months ended October 31, 2018 decreased \$475,692, or 21.3%, compared to the three months ended October 31, 2017. Consolidated gross profit for the three months ended October 31, 2018 decreased \$125,929, or 37.8%, compared to the three months ended October 31, 2017. Consolidated gross profit was 11.8% of consolidated net sales for the three months ended October 31, 2018 and 14.9% for the three months ended October 31, 2017.

Selling, general and administrative expenses for the three months ended October 31, 2018 decreased \$31,570, or 23.5%, compared to the three months ended October 31, 2017. Amortization of intangible assets expense for the three months ended October 31, 2018 decreased \$967, or 7.1%, compared to the three months ended October 31, 2017, primarily due to lower dealer network amortization as compared to the prior-year period. Income before income taxes for the three months ended October 31, 2018 was \$31,517, as compared to \$187,091 for the three months ended October 31, 2017, a decrease of \$155,574, or 83.2%.

Additional information concerning the changes in net sales, gross profit, selling, general and administrative expenses, amortization of intangible assets expense, acquisition and related costs and income before income taxes are addressed below and in the segment reporting that follows.

Corporate costs included in selling, general and administrative expenses decreased \$7,956 to \$10,270 for the three months ended October 31, 2018 compared to \$18,226 for the three months ended October 31, 2017, a decrease of 43.7%. The decrease is primarily due to a decrease in deferred compensation expense of \$3,569, which relates to the equal and offsetting increase in other expense related to the deferred compensation plan assets as noted below. Incentive compensation also decreased \$2,289 in correlation with the decrease in income before income taxes compared to the prior year. In addition, costs recorded at Corporate related to our standby repurchase obligations on dealer inventory decreased \$800 due to lower dealer inventory levels, and sales and marketing costs also decreased by \$632.

Corporate interest and other income and expense was \$3,296 of net expense for the three months ended October 31, 2018 compared to \$397 of net income for the three months ended October 31, 2017. This increase in net expense of \$3,693 is primarily due to the change in the fair value of the Company's deferred compensation plan assets due to market fluctuations and investment income resulting in net expense of \$2,295 in the current-year period as compared to net income of \$1,274 in the prior-year period, an increase in expense of \$3,569. The three months ended October 31, 2018 also included a \$1,483 operating loss related to the joint venture as discussed in Note 8 to the Condensed Consolidated Financial Statements. These increases in expense were partially offset by interest expense and fees on the revolving credit facility of \$729 in the current-year period as compared to \$1,257 in the prior-year period, a decrease in expense of \$528 as a result of the lower outstanding debt balances.

Acquisition-related costs were \$57,089 for the three months ended October 31, 2018 and include all costs related to the acquisition of Erwin Hymer Group as described in Note 16 to the Condensed Consolidated Financial Statements. These Corporate costs included a non-cash foreign currency forward contract loss of \$42,555, as the U.S. Dollar strengthened against the Euro. The remaining \$14,534 related primarily to legal, professional and advisory fees related to financial due diligence and preliminary implementation costs, rating agency fees related to obtaining debt financing and regulatory review costs.

The overall effective income tax rate for the three months ended October 31, 2018 was 55.7% compared with 31.4% for the three months ended October 31, 2017. The primary reasons for the change in the overall effective income tax rate between the comparable periods are the non-deductible foreign currency forward contract loss noted in Note 15 to the Condensed Consolidated Financial Statements and the reduction in the US federal corporate income tax rate for the three months ended October 31, 2018 as a result of the enactment of the Tax Cuts and Jobs Act on December 22, 2017.

Segment Reporting**TOWABLE RECREATIONAL VEHICLES**

Analysis of the change in net sales for the three months ended October 31, 2018 compared to the three months ended October 31, 2017:

	Three Months Ended October 31, 2018	% of Segment Net Sales	Three Months Ended October 31, 2017	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
Towables						
Travel Trailers and Other	\$ 761,484	59.5	\$ 993,604	61.4	\$(232,120)	(23.4)
Fifth Wheels	517,614	40.5	624,897	38.6	(107,283)	(17.2)
Total Towables	<u>\$1,279,098</u>	<u>100.0</u>	<u>\$1,618,501</u>	<u>100.0</u>	<u>\$(339,403)</u>	<u>(21.0)</u>

	Three Months Ended October 31, 2018	% of Segment Shipments	Three Months Ended October 31, 2017	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
Towables						
Travel Trailers and Other	37,497	76.4	51,668	78.2	(14,171)	(27.4)
Fifth Wheels	11,571	23.6	14,427	21.8	(2,856)	(19.8)
Total Towables	<u>49,068</u>	<u>100.0</u>	<u>66,095</u>	<u>100.0</u>	<u>(17,027)</u>	<u>(25.8)</u>

	% Increase
Impact of Change in Product Mix and Price on Net Sales:	
Towables	
Travel Trailers and Other	4.0
Fifth Wheels	2.6
Total Towables	4.8

The decrease in total towables net sales of 21.0% compared to the prior-year quarter resulted from a 25.8% decrease in unit shipments and a 4.8% increase in the overall net price per unit due to the impact of changes in product mix and price. According to statistics published by RVIA, for the three months ended October 31, 2018, combined travel trailer and fifth wheel wholesale unit shipments decreased 16.7% compared to the same period last year.

The increases in the overall net price per unit within the travel trailer and other product lines of 4.0% and the fifth wheel product lines of 2.6% were both primarily due to changes in product mix and selective net price increases since the prior-year quarter.

Cost of products sold decreased \$236,382 to \$1,125,406, or 88.0% of towables net sales, for the three months ended October 31, 2018 compared to \$1,361,788 or 84.1% of towables net sales, for the three months ended October 31, 2017. The changes in material, labor, freight-out and warranty costs comprised \$229,217 of the \$236,382 decrease in cost of products sold. Material, labor, freight-out and warranty costs as a combined percentage of towables net sales increased to 81.9% for the three months ended October 31, 2018 compared to 78.8% for the three months ended October 31, 2017. This increase in percentage was primarily the result of an increase in the material cost percentage to net sales, primarily due to an increase in discounts and sales incentives, which effectively decreases the net sales price per unit and therefore increases the unit material cost percentage. In addition, material cost increases exceeded the favorable impact of selective net price increases since the prior-year period. The warranty cost percentage to net sales also increased. Total manufacturing overhead decreased \$7,165 with the decrease in sales, but increased as a percentage of towables net sales from 5.3% to 6.1%, as the decreased production resulted in higher overhead costs per unit sold.

Towables gross profit decreased \$103,021 to \$153,692, or 12.0% of towables net sales, for the three months ended October 31, 2018 compared to \$256,713, or 15.9% of towables net sales, for the three months ended October 31, 2017. The decrease in gross profit is primarily due to the 25.8% decrease in unit sales volume noted above, while the decrease in gross profit percentage is due to the increase in the cost of products sold percentage noted above.

Selling, general and administrative expenses were \$69,082, or 5.4% of towables net sales, for the three months ended October 31, 2018 compared to \$86,760, or 5.4% of towables net sales, for the three months ended October 31, 2017. The primary reason for the \$17,678 decrease was decreased towables net sales and towables income before income taxes, which caused related commissions, bonuses and other compensation to decrease by \$17,293. The overall selling, general and administrative expense as a percentage of towables net sales remained the same at 5.4% of towables net sales for both periods.

Towables income before income taxes was \$74,550, or 5.8% of towables net sales, for the three months ended October 31, 2018 compared to \$158,851 or 9.8% of towables net sales, for the three months ended October 31, 2017. The primary reasons for the decrease in percentage was the increase in the cost of products sold percentage noted above.

MOTORIZED RECREATIONAL VEHICLES

Analysis of the change in net sales for the three months ended October 31, 2018 compared to the three months ended October 31, 2017:

	Three Months Ended October 31, 2018	% of Segment Net Sales	Three Months Ended October 31, 2017	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
Motorized						
Class A	\$ 227,274	52.7	\$ 252,423	44.5	\$ (25,149)	(10.0)
Class C	184,384	42.8	286,666	50.6	(102,282)	(35.7)
Class B	19,540	4.5	27,522	4.9	(7,982)	(29.0)
Total Motorized	<u>\$ 431,198</u>	<u>100.0</u>	<u>\$ 566,611</u>	<u>100.0</u>	<u>\$ (135,413)</u>	<u>(23.9)</u>

	Three Months Ended October 31, 2018	% of Segment Shipments	Three Months Ended October 31, 2017	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
Motorized						
Class A	1,672	38.3	2,267	33.1	(595)	(26.2)
Class C	2,557	58.6	4,364	63.8	(1,807)	(41.4)
Class B	137	3.1	212	3.1	(75)	(35.4)
Total Motorized	<u>4,366</u>	<u>100.0</u>	<u>6,843</u>	<u>100.0</u>	<u>(2,477)</u>	<u>(36.2)</u>

Impact of Change in Product Mix and Price on Net Sales:					% Increase
Motorized					
Class A					16.2
Class C					5.7
Class B					6.4
Total Motorized					12.3

The decrease in total motorized net sales of 23.9% compared to the prior-year quarter resulted from a 36.2% decrease in unit shipments and a 12.3% increase in the overall net price per unit due to the impact of changes in product mix and price. According to statistics published by RVIA, for the three months ended October 31, 2018, combined motorhome wholesale unit shipments decreased 16.9% compared to the same period last year.

The increase in the overall net price per unit within the Class A product line of 16.2% was primarily due to a shift in the concentration of sales toward the generally larger and more expensive diesel units from the more modestly-priced gas units compared to the prior-year period. The increase in the overall net price per unit within the Class C product line of 5.7% was primarily due to the net impact of product mix changes and selective net price increases. The increase in the overall net price per unit within the Class B product line of 6.4% is primarily due to the introduction of a new, higher-priced model and more option content per unit in the current-year period.

Cost of products sold decreased \$115,740 to \$386,968, or 89.7% of motorized net sales, for the three months ended October 31, 2018 compared to \$502,708, or 88.7% of motorized net sales, for the three months ended October 31, 2017. The changes in material, labor, freight-out and warranty costs comprised \$113,252 of the \$115,740 decrease due to the decreased sales volume. Material, labor, freight-out and warranty costs as a combined percentage of motorized net sales increased to 85.2% for the three months ended October 31, 2018 compared to 84.8% for the three months ended October 31, 2017. This increase in percentage was primarily the result of an increase in the warranty cost percentage. Total manufacturing overhead decreased \$2,488 with the volume decrease, but increased as a percentage of motorized net sales from 3.9% to 4.5%, as the decrease in production resulted in higher overhead costs per unit sold.

Motorized gross profit decreased \$19,673 to \$44,230, or 10.3% of motorized net sales, for the three months ended October 31, 2018 compared to \$63,903, or 11.3% of motorized net sales, for the three months ended October 31, 2017. The decrease in gross profit was due primarily to the 36.2% decrease in unit sales volume noted above, and the decrease as a percentage of motorized net sales is due to the increase in the cost of products sold percentage noted above.

Selling, general and administrative expenses were \$21,252, or 4.9% of motorized net sales, for the three months ended October 31, 2018 compared to \$26,708, or 4.7% of motorized net sales, for the three months ended October 31, 2017. The \$5,456 decrease was primarily due to decreased motorized net sales and motorized income before income taxes, which caused related commissions, bonuses and other compensation to decrease by \$4,669. In addition, legal, professional and related settlement costs decreased \$984.

Motorized income before income taxes was \$21,712, or 5.0% of motorized net sales, for the three months ended October 31, 2018 compared to \$37,586, or 6.6% of motorized net sales, for the three months ended October 31, 2017. The primary reason for this decrease in percentage was the impact of the increases in the cost of products sold and selling, general and administrative expense percentages noted above.

Financial Condition and Liquidity

As of October 31, 2018, we had \$224,921 in cash and cash equivalents compared to \$275,249 on July 31, 2018. The components of this \$50,328 decrease in cash and cash equivalents are described in more detail below, but the decrease was primarily attributable to capital expenditures of \$34,453, and cash used in operations of \$15,834.

Working capital at October 31, 2018 was \$525,191, which included a \$42,555 foreign currency forward contract liability, compared to \$542,344 at July 31, 2018. This decrease is primarily attributable to the impact of the foreign currency forward contract liability, partially offset by seasonal increases in accounts receivable and the increase in inventory due to increased production lines. Capital expenditures of \$34,453 for the three months ended October 31, 2018 were made primarily for land and production building additions and improvements, as well as replacing machinery and equipment used in the ordinary course of business.

We strive to maintain adequate cash balances to ensure we have sufficient resources to respond to opportunities and changing business conditions. We believe our on-hand cash and cash equivalents, and funds generated from continuing operations, along with funds available under the current revolving asset-based credit facility, will be sufficient to fund expected future operational requirements for the foreseeable future. As discussed in Note 16 to the Condensed Consolidated Financial Statements, in September 2018 we obtained financing commitments for an asset-based credit facility and a term loan to fund the pending acquisition of Erwin Hymer Group. Upon closing of this pending acquisition, these new financing commitments will replace the current asset-based facility obtained in conjunction with the Jayco acquisition, and any remaining unamortized facility fees related to the current facility, which totaled \$4,186 at October 31, 2018, will become fully amortized when the existing facility is replaced.

Our main priorities for the use of current and future available cash generated from operations include funding our growth, both organically and through acquisitions, maintaining and growing our regular dividends over time, reducing indebtedness incurred in connection with the acquisition of the Erwin Hymer Group as discussed in Note 16 to the Condensed Consolidated Financial Statements and repurchasing shares under the share repurchase program as discussed in Note 14 to the Condensed Consolidated Financial Statements. Special dividends or strategic share repurchases, as determined by the Company's Board, will also continue to be considered.

In regard to growing our business, we anticipate capital expenditures during the remainder of fiscal 2019 of approximately \$100,000, primarily for the continued expansion of our facilities and replacing and upgrading machinery, equipment and other assets to be used in the ordinary course of business. We may also consider additional strategic growth acquisitions that complement or expand our ongoing operations.

The Company's Board currently intends to continue regular quarterly cash dividend payments in the future. As is customary under asset-based lines of credit, certain actions, including our ability to pay dividends, are subject to the satisfaction of certain payment conditions prior to payment. The conditions for the payment of dividends under the existing debt facility include a minimum level of adjusted excess cash availability and a fixed charge coverage ratio test, both as defined in the credit agreement. The declaration of future dividends and the establishment of the per share amounts, record dates and payment dates for any such future dividends are subject to the determination of the Board, and will be dependent upon future earnings, cash flows and other factors, in addition to compliance with any then-existing financing facilities.

Future purchases of the Company's common stock or special cash dividends may occur based upon market and business conditions and excess cash availability, subject to potential customary limits and restrictions pursuant to any then-existing credit facility, applicable legal limitations and determination by the Board.

Operating Activities

Net cash used in operating activities for the three months ended October 31, 2018 was \$15,834 as compared to net cash provided by operating activities of \$13,415 for the three months ended October 31, 2017.

For the three months ended October 31, 2018, net income adjusted for non-cash items (primarily depreciation, amortization of intangibles, foreign currency forward contract loss, deferred income tax benefit and stock-based compensation) provided \$83,708 of operating cash. The change in net working capital used \$99,542 of operating cash during that period, due to a seasonal increase in accounts receivable and an inventory increase in conjunction with the increases in production facilities and lines. Income tax payments also exceeded the income tax provision during the period, and accounts payable decreased due to the timing of payments for inventory.

For the three months ended October 31, 2017, net income adjusted for non-cash items (primarily depreciation, amortization of intangibles, deferred income tax benefit and stock-based compensation) provided \$148,989 of operating cash. The changes in working capital used \$135,574 of operating cash during that period, primarily the result of a larger than usual seasonal increase in accounts receivable due to both the timing of shipments and the increase in sales. Inventory also increased in correlation with the increases in backlog and production facilities and lines, and required income tax payments exceeded the income tax provision during the period as well. These increases were partially offset by increases in accounts payable and accrued liabilities.

Investing Activities

Net cash used in investing activities for the three months ended October 31, 2018 was \$34,392, primarily due to capital expenditures of \$34,453.

Net cash used in investing activities for the three months ended October 31, 2017 was \$30,116, primarily due to capital expenditures of \$34,283, partially offset by proceeds received on the dispositions of property, plant and equipment of \$3,526.

Financing Activities

Net cash used in financing activities for the three months ended October 31, 2018 was \$102. During the first quarter of fiscal 2019, the Company's Board approved and declared the payment of a regular quarterly dividend of \$0.39 per share for the first quarter of fiscal 2019, but this dividend, totaling \$20,595, was not paid until the second quarter of fiscal 2019.

Net cash used in financing activities for the three months ended October 31, 2017 was \$55,094, primarily for principal payments on the revolving credit facility totaling \$55,000. During the first quarter of fiscal 2018, the Company's Board of Directors approved and declared the payment of a regular quarterly dividend of \$0.37 per share for the first quarter of fiscal 2018, but this dividend, totaling \$19,497, was not paid until the second quarter of fiscal 2018.

The Company increased its previous regular quarterly dividend of \$0.37 per share to \$0.39 per share in October 2018. In October 2017, the Company increased its previous regular quarterly dividend of \$0.33 per share to \$0.37 per share.

Accounting Pronouncements

Reference is made to Note 1 of our Condensed Consolidated Financial Statements contained in this report for a summary of recently issued accounting pronouncements, which summary is hereby incorporated by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to market risk from changes in short-term interest rates on our variable-rate debt. Depending upon the borrowing option chosen, the interest charged is based upon either the Base Rate or LIBOR of a selected time period, plus an applicable margin. If interest rates increased by 0.25% (which approximates a 10% increase of the weighted-average interest rate on our borrowings), our results of operations and cash flows for the three months ended October 31, 2018 and October 31, 2017 would not have been materially affected.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains “disclosure controls and procedures”, as such term is defined under Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company has carried out an evaluation, as of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at attaining the level of reasonable assurance noted above.

During the quarter ended October 31, 2018, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

The Company is involved in certain litigation arising out of its operations in the normal course of its business, most of which is based upon state “lemon laws”, warranty claims and vehicle accidents (for which the Company carries insurance above a specified self-insured retention or deductible amount). The outcomes of legal proceedings and claims brought against the Company are subject to significant uncertainty. There is significant judgment required in assessing both the probability of an adverse outcome and the determination as to whether an exposure can be reasonably estimated. In management’s opinion, the ultimate disposition of any current legal proceedings or claims against the Company will not have a material effect on the Company’s financial condition, operating results or cash flows. Litigation is, however, inherently uncertain and an adverse outcome from such litigation could have a material effect on the operating results of a particular reporting period.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2018.

ITEM 6. EXHIBITS

<u>Exhibit</u>	<u>Description</u>
2.1	<u>Sale and Purchase Agreement dated as of September 18, 2018 (the “Sale and Purchase Agreement”), by and among the Company, Tyr Holdings GmbH & Co. AG, a wholly-owned subsidiary of the Company and the selling parties identified therein.*</u>
10.1	<u>Financing Commitment Letter by and among the Company, JPMorgan Chase Bank, N.A. and Barclays Bank PLC</u>
31.1	<u>Chief Executive Officer’s Rule 13a-14(a) Certification</u>
31.2	<u>Chief Financial Officer’s Rule 13a-14(a) Certification</u>
32.1	<u>Chief Executive Officer’s Section 1350 Certification</u>
32.2	<u>Chief Financial Officer’s Section 1350 Certification</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

Attached as Exhibits 101 to this report are the following financial statements from the Company’s Quarterly report on Form 10-Q for the quarter ended October 31, 2018 formatted in XBRL (“eXtensible Business Reporting Language”): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Income and Comprehensive Income, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) related notes to these financial statements.

* Certain schedules and exhibits referenced in the Sale and Purchase Agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request.

SIGNATURES

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

THOR INDUSTRIES, INC.
(Registrant)

DATE: December 6, 2018

/s/ Robert W. Martin

Robert W. Martin
President and Chief Executive Officer

DATE: December 6, 2018

/s/ Colleen Zuhl

Colleen Zuhl
Senior Vice President and Chief Financial Officer

HENGELERMUELLER

SALE AND PURCHASE AGREEMENT

EXECUTION VERSION

18 SEPTEMBER 2018

regarding the
sale and purchase of the

EHG Group

Sale and Purchase Agreement

by and between

1. **Mrs. Gertraud Hymer** , born on 3 February 1951 in Weiler im Allgäu, Germany, residing in Bad Waldsee, Germany,

- herein “ **Seller 1** ” -

2. **Mrs. Carolin Hachenberg** , born on 16 June 1984 in Wangen im Allgäu, Germany, residing in Munich, Germany,

- herein “ **Seller 2** ” -

3. **Mr. Christian Hymer** , born on 20 November 1985 in Wangen im Allgäu, Germany, residing in Munich, Germany,

- herein “ **Seller 3** ” -

- Seller 1, Seller 2 and Seller 3 herein also referred to individually as a “ **Seller** ” and collectively as “ **Sellers** ” -

4. **Tyr Holdings LLC & Co. KG** , a limited partnership (*Kommanditgesellschaft*) under the laws of Germany, having its office in Friedrichstrasse 88, 10117 Berlin, Germany, established on 18 September 2018 and to be registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Berlin-Charlottenburg ,

- herein “ **Purchaser** ” -

5. **Thor Industries Inc.** , a corporation under the laws of Delaware, USA, having its registered office in Wilmington, Delaware, and registered with the Department of State, Division of Corporations of the State of Delaware under file number 2013754,

- herein “ **Guarantor** ” -

- Sellers, Purchaser and Guarantor herein also referred to individually as a “ **Party** ” and collectively as “ **Parties** ” -

Table of Contents

1.	Transaction Dates	19
2.	Current Corporate and Accounting Status	21
3.	Corporate Reorganizations	22
4.	Current Financing Status	25
5.	Upstream Loans	32
6.	Sale, Purchase and Transfer of the Target Shares	34
7.	Share Transfer Approval	35
8.	Assumptions of Upstream Loans	36
9.	Purchase Price	37
10.	Payments and Default	38
11.	Closing Conditions and Closing	41
12.	Sellers' Guarantees	49
13.	Purchaser's and Guarantor's Guarantees	71
14.	Remedies	74
15.	Tax Indemnity	81
16.	Sellers' Covenants	85
17.	No Leakage	90
18.	Contributions Undertakings and Covenants	93
19.	Use of Family Name "Hymer"	94
20.	Expiration and Limitation of Claims	95
21.	Purchaser's General Covenants	98
22.	Purchaser's Tax Covenants	100
23.	Purchaser's Indemnity	105
24.	Discharge of Supervisory Board Members	108
25.	Sellers' Several Liability	108
26.	Guarantor's Guarantee and Procurement Obligation	108
27.	Restrictions of Announcement and Confidentiality	109
28.	Guarantor Common Stock	111
29.	Notices, Agent of Process	117
30.	Costs, Expenses, Fees, Charges and VAT Treatment	119
31.	Entire Agreement, Interpretation, Time	120
32.	No Third Party Rights and Procurement Obligation	121
33.	No Assignment and No Set-off Rights	122
34.	Interest	122
35.	Non-Compete and Non-Solicitation	123
36.	Governing Law and Dispute Resolution	124
37.	Invalid Provisions and Unintended Gaps (<i>Salvatorische Klausel</i>)	125

Exhibits

Exhibit (A)	EHG Group
Exhibit 2.1-1	Target Subsidiaries
Exhibit 2.1-2	Material Companies
Exhibit 4.2	External Debt Financing Arrangements
Exhibit 4.3-1	Refinanced External Debt
Exhibit 4.3-2	Continuing External Debt
Exhibit <u>4.9</u> -1	Required Information
Exhibit 4.9-2	Required Actions
Exhibit 6.1	Sample Shares Transfer Agreement
Exhibit 7	Shares Transfer Approval
Exhibit 8.1	Sample Upstream Loan Assumption Agreement
Exhibit 8.4	Upstream Loan Assumption Consent
Exhibit 9.2	Equity Value Bridge
Exhibit 11.1.1-1	Merger Control Clearances Jurisdictions
Exhibit 11.1.1-2	Merger Control Clearances Jurisdictions – Stock Consideration
Exhibit 11.16	Closing Protocol
Exhibit 12.1.7.1	Consolidated Financial Statements
Exhibit 12.1.7.3-1	Individual Financial Statements
Exhibit 12.1.7.3-2	Audited Individual Financial Statements
Exhibit 12.1.8	Interim Combined Financial Statements
Exhibit 12.4-1	Sellers’ Deal Team
Exhibit 12.4-2	Sellers’ Inquiry Team
Exhibit 14.3.5.2-1	Joint Instruction Letter
Exhibit 14.3.5.2-2	Index of Physical Data Room
Exhibit 16.2	Permitted Actions
Exhibit 17.1	Permitted Leakage
Exhibit 19	License Agreement
Exhibit 22.1.2	Step-up Methodology

Exhibit 23.1.5	Statutory Holding Periods and Tax Arrangements
Exhibit 28.1	Selling Stockholder Questionnaire
Exhibit 35.1.1	Permitted Activities
Exhibit 36.2	Arbitration Agreement

Schedules

Schedule 12.1.5	Enterprise Agreements
Schedule 12.1.6	Conduct of Business
Schedule 12.1.9.1	Material Fixed Assets
Schedule 12.1.10.1	Material Owned Real Estate
Schedule 12.1.10.2-1	Lease Agreements
Schedule 12.1.10.2-2	Terminated Lease Agreements
Schedule 12.1.11.4	Challenges and Infringements of Material IP Rights
Schedule 12.1.11.5	Third-Party IP Infringements
Schedule 12.1.12.1	Collective Bargaining Agreements
Schedule 12.1.12.2	Key Employees
Schedule 12.1.13	Compliance with Labor Laws and Regulations
Schedule 12.1.14	Material Agreements
Schedule 12.1.15	Status of Material Agreements
Schedule 12.1.16-1	Insurance Policies
Schedule 12.1.16-2	Insurance Claims
Schedule 12.1.17.1	Compliance with Laws
Schedule 12.1.17.2	Material Permits
Schedule 12.1.17.4	Public Subsidies
Schedule 12.1.18-1	Pending Litigation of Material Companies
Schedule 12.1.18-2	Pending Litigation of other Companies
Schedule 12.1.19	Product Liability
Schedule 12.1.20	Taxes
Schedule 12.1.21	Pension Commitments
Schedule 12.1.22.2	Environmental Permits
Schedule 12.1.22.3	Environmental Litigation
Schedule 12.1.22.4	Environmental Contamination

Definitions

Accounting Year	as defined in Section 2.2
Actual Aggregate Upstream Loan Amount	as defined in Section 5.6.3
Additional Companies' Tax	as defined in Section 22.3.2.1
Affiliates	means any affiliates (<i>verbundene Unternehmen</i>) within the meaning of Section 15 German Stock Corporation Act (<i>AktG</i>) or corresponding provisions under the laws of other jurisdictions
Agreement	as defined in Recital (C)
Ancillary Agreements	means the Shares Transfer Agreements, the Upstream Loan Assumption Agreements and the License Agreement
Base Purchase Price	as defined in Section 9.1.1
Beneficiary of Leakage	as defined in Section 17.2
Break Fee	as defined in Section 11.12
Business	as defined in Recital (B)
Business Days	means any days on which banks are open for general business in Munich, Germany, and Elkhart, Indiana
Capital Increase	as defined in Section 3.1.3
Capital Increase Resolution	as defined in Section 3.1.3
Caravan Related Laws	means laws, standards and regulations relating or applicable to the designing, assembling, marketing or selling of recreational vehicles (and/or accessories thereto), including Regulation (EC) No 443/2009 of the European Parliament and of the Council of 23 April 2009, related legislative acts, the German road traffic licensing laws and regulations (<i>Straßenverkehrszulassungsrecht</i>), comparable foreign laws and regulations as well as export laws and regulations and health and safety regulations and standards.

Certificated Loan Agreements	as defined in Section 4.2
Clearances	as defined in Section 11.1.1
Clearance Filers	as defined in Section 11.2
Closing	as defined in Section 11.1
Closing Conditions	as defined in Section 11.1
Closing Condition Default	as defined in Section 11.7
Closing Date	as defined in Section 1.5
Closing Default	as defined in Section 11.8
Closing Events	as defined in Section 11.14
Company / Companies	as defined in Section 2.1
Competing Activity	as defined in Section 35.1.1
Confidential Information	as defined in Section 27.2
Consolidated Financial Statements	as defined in Section 12.1.7.1
Continuing External Debt	as defined in Section 4.3
Contribution	as defined in Section 3.1.3
Contribution Agreement	as defined in Section 3.1.3
Corporate Reorganization Documents	as defined in Section 3.2
Corporate Reorganizations	as defined in Section 3.1
CP Completion Date	as defined in Section 1.3
Data Room	as defined in Section 14.3.5.2
Daily Cash Amount	as defined in Section 9.1.2
Data Preservation Termination Date	as defined in Section 21.1
De Minimis Claims	as defined in Section 20.3
Debt Commitment Letter	as defined in Section 13.1.4
Debt Financing	as defined in Section 13.1.4
Deferred Scheduled Closing Date	as defined in Section 1.4.4
Disclosure Schedules	as defined in Section 12.2
Drop Dead Date	as defined in Section 11.7
Effective Date	as defined in Section 1.2

Effectiveness Period	as defined in Section 28.2
EHB Merger	as defined in Section 3.1.2
EHB Merger Agreement	as defined in Section 3.1.2
EHG	as defined in Section 3.1.3.1
EHG Collapse Merger	as defined in Section 3.1.5
EHG Group	as defined in Recital (A)
EHGV	as defined in Section 3.1.3.2
Environmental Contamination	as defined in Section 12.1.22.4
Environmental Laws	means any laws, statutes, regulations or ordinances (including, but not limited to, European regulations and, to the extent they are directly applicable, directives), common law where applicable, governmental ordinances by a governmental authority, administrative provisions (<i>Verwaltungsvorschriften</i>), if in force and binding for any of the Companies in their respective applicable jurisdictions and relating to or imposing liability, or standards of conduct, for the protection of the air, soil air, soil, surface water and ground water of any of the Material Owned Real Estate or real estate leased under the Lease Agreements or against noise or radiation, the preservation of natural resources, human health or the use, handling, generation, manufacturing, placing into the market, distribution, labelling, collection, transportation, storage, disposal, clean-up or release of Hazardous Materials or waste
Equity Value Bridge	as defined in Section 9.2
Excess Indemnifiable Prepayment Costs	as defined in Section 4.10
Exchange Act	means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
Exempted Claims	as defined in Section 20.1

External Debt Financing Agreements	as defined in Section 4.2
EY	as defined in Section 12.1.7.1
Fairly Disclosed	as defined in Section 14.3.5
Financing Sources	as defined in Section 4.9
Form 8-K	as defined in Section 16.3
Form S-3	as defined in Section 13.1.6
Fundamental Guarantees	as defined in Section 20.1.1
GbR Polch	as defined in Section 3.1.3.3
General Liability Caps	as defined in Section 20.5
General Tax Indemnification Claim	as defined in Section 15.1.1
Guarantor	as defined in the list of parties
Guarantor Common Stock	as defined in Section 9.4
Guarantor's and Purchaser's Clearance Covenants	as defined in Section 11.7.2
Hazardous Materials	means any substances or mixtures as defined as hazardous in Art. 3 of the European Community Regulation 2008/1272/EC, as amended until the Signing Date
IFRS	means the International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union
Increased Base Purchase Price	as defined in Section 9.3.1
Increased Daily Cash Amount	as defined in Section 9.1.3
Indemnifiable Prepayment Costs	as defined in Section 4.11
Individual Financial Statements	as defined in Section 12.1.7.3
Individual General Liability Caps	as defined in Section 20.5
Individual Sellers' Guarantees	as defined in Section 12.1
Individual W&I Liability Caps	as defined in Section 20.4
Insurance Policies	as defined in Section 12.1.16
Insured Claims	as defined in Section 20.4
Insurer	as defined in Section 20.4
Interim Combined Financial Statements	as defined in Section 12.1.8

Key Employees	as defined in Section 12.1.12.2
Know-how	as defined in Section 12.1.11.6
Knowledge of Sellers	as defined in Section 12.4
Leakage Transaction	as defined in Section 17.1
Leakage Indemnification	as defined in Section 17.2
Leakage Value	as defined in Section 17.2
Lease Agreements	as defined in Section 12.1.10.2
Lender	as defined in Section 13.1.4
LHTG	as defined in Section 4.2
License Agreement	as defined in Section 19
Local GAAP	means German GAAP (<i>Grundsätze ordnungsmäßiger Buchführung (GoB)</i>) and applicable provisions of the German Commercial Code (<i>HGB</i>), or such other generally accepted accounting principles, as the case may be, as applicable to a Company in the jurisdiction in which such Company is required to prepare financial statements
Material Adverse Effect	as defined in Section 12.5
Material Agreements	as defined in Section 12.1.14
Material Current Assets and Inventories	as defined in Section 12.1.9.2
Material Company / Companies	as defined in Section 2.1
Material Environmental Permits	as defined in Section 12.1.22.2
Material Fixed Assets	as defined in Section 12.1.9.1
Material IP Rights	as defined in Section 12.1.11.1
Material Owned Real Estate	as defined in Section 12.1.10.1
Material Permits	as defined in Section 12.1.17.2
Negative Closing Condition	as defined in Section 1.3.1
New CP Completion Date	as defined in Section 1.4.4.1
No Termination Commitment	as defined in Section 21.3.1
Ordinary Quarterly Cash Dividend	as defined in Section 10.4
Overall Liability Caps	as defined in Section 20.6
Party / Parties	as defined in the list of parties

Pension Commitments	as defined in Section 12.1.21
Permitted Leakage	as defined in Section 17.1
Positive Closing Condition	as defined in Section 1.3.1
Pre-Effective Date Tax Period	as defined in Section 15.1.1
Property Stahlstraße	as defined in Section 3.1.3.4
Pro Rata Liability Percentage	as defined in Section 25
Public Subsidies	as defined in Section 12.1.17.4
Purchaser	as defined in the list of parties
Purchaser Claim	as defined in Section 14.1
Purchaser's Guarantees	as defined in Section 13.1
Purchaser's Objection	as defined in Section 22.3.2
Purchaser's Representative	as defined in Section 29.2
Purchaser's Tax Covenants	as defined in Section 22.9
Reduced Sellers' Taxes	as defined in Section 22.3.2.2
Refinanced External Debt	as defined in Section 4.3
Registrable Shares	as defined in Section 28.1
Registration Statement	as defined in Section 28.1
Release Letter	as defined in Section 4.4.1
Relevant Losses	as defined in Section 14.1
Relevant Notification Date	as defined in Section 5.6
Relevant Tax Matter	as defined in Section 22.2.2
Relevant Tax Proceedings	as defined in Section 22.5
REN	as defined in Section 4.1
Required Actions	as defined in Section 4.9
Required Information	as defined in Section 4.9
Restitution in Kind	as defined in Section 14.1
Retention Materials	as defined in Section 21.1
S1 Actual Upstream Loan Amount	as defined in Section 5.6.1
S1 Cash Consideration	as defined in Section 10.1.1
S1 Shares Transfer Agreement	as defined in Section 6.1
S1 Stock Consideration	as defined in Section 10.1.2
S1 Target Shares	as defined in Section 2.1.1

S1 Total Purchase Price	as defined in Section 9.3.1
S1 Upstream Loan Assumption Agreement	as defined in Section 8.1
S2 Actual Upstream Loan Amount	as defined in Section 5.6.2
S2 Cash Consideration	as defined in Section 10.2.1
S2 Shares Transfer Agreement	as defined in Section 6.3
S2 Stock Consideration	as defined in Section 10.2.2
S2 Target Shares	as defined in Section 2.1.2
S2 Total Purchase Price	as defined in Section 9.3.2
S2 Upstream Loan Assumption Agreement	as defined in Section 8.2
S3 Actual Upstream Loan Amount	as defined in Section 5.6.3
S3 Cash Consideration	as defined in Section 10.3.1
S3 Shares Transfer Agreement	as defined in Section 6.5
S3 Stock Consideration	as defined in Section 10.3.2
S3 Target Shares	as defined in Section 2.1.3
S3 Total Purchase Price	as defined in Section 9.3.3
S3 Upstream Loan Assumption Agreement	as defined in Section 8.3
Sassenberg Contribution	as defined in Section 18.1
Scheduled Closing Date	as defined in Section 1.4
SE Merger	as defined in Section 3.1.1
SE Merger Agreement	as defined in Section 3.1.1
SEC	means the U.S. Securities and Exchange Commission
Securities Act	means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
Seller / Sellers	as defined in the list of parties
Seller 1	as defined in the list of parties
Seller 1's Account	as defined in Section 10.1.1
Seller 2	as defined in the list of parties
Seller 2's Account	as defined in Section 10.2.1

Seller 3	as defined in the list of parties
Seller 3's Account	as defined in Section 10.3.1
Sellers' Accounts	as defined in Section 10.3.1
Sellers' Affiliates	as defined in Section 2.1
Sellers' Clearance Covenants	as defined in Section 11.7.1
Sellers' Covenants	as defined in Section 16.12
Sellers' Deal Team	as defined in Section 12.4
Sellers' Guarantees	as defined in Section 12.1
Sellers' Indemnification Claims	as defined in Section 23.3
Sellers' Key Employees Guarantees	as defined in Section 12.4.1
Sellers' Nominee	as defined in Section 21.4
Sellers' Related Person	as defined in Section 17.1
Sellers' Representative	as defined in Section 29.3
Sellers' Rectification Covenant	as defined in Section 4.13
Sellers' Tax Covenants	as defined in Section 18.2
Selling Stockholder Questionnaires	as defined in Section 28.1
Shares Transfer Agreements	as defined in Section 6.5
Signing Date	as defined in Section 1.1
Stock Consideration	as defined in Section 10.3.2
Straddle Period	as defined in Section 15.2
Subsequent Monthly Financial Statements	as defined in Section 16.5
Subsidiary / Subsidiaries	means any subsidiary / subsidiaries (<i>abhängige(s) Unternehmen</i>) within the meaning of Section 17 German Stock Corporation Act (<i>AktG</i>) or corresponding provisions under the laws of other jurisdictions
Syndicated Loan Agreement	as defined in Section 4.1
Target Company	as defined in Section 2.1
Target Shares	as defined in Section 2.1
Target Subsidiaries	as defined in Section 2.1

Tax / Taxes	means all direct, indirect or ancillary taxes, duties, withholdings, imposts, levies and social security or other similar contributions imposed by any regional, national or other authority or body or assumed by contract, and all related charges, interests, penalties, fines and expenses as well as social security contributions including taxes and tax-related ancillary obligations (<i>steuerliche Nebenleistungen</i>) within the meaning of Section 3 German Tax Code (<i>AO</i>) and equivalent taxes and obligations under the laws of any other jurisdiction
Tax Authorities	as defined in Section 12.1.9.1
Tax Claim Notice	as defined in Section 15.2
Tax Indemnification Claims	as defined in Section 15.1.2
Tax Returns	as defined in Section 12.1.20.1
Third Party Claim	as defined in Section 14.4
Thor Change of Control	as defined in Section 4.12
Threshold	as defined in Section 20.3
Time Limitations	as defined in Section 20.1
Total General Liability Cap	as defined in Section 20.5
Total Purchase Price	as defined in Section 9.1
Total W&I Liability Cap	as defined in Section 20.4
Trade Tax Indemnification Claim	as defined in Section 15.1.2
Underlying Tax Claim	as defined in Section 15.7
Upstream Loan 1	as defined in Section 5.1
Upstream Loan 2	as defined in Section 5.2
Upstream Loan 3	as defined in Section 5.3
Upstream Loan 4	as defined in Section 5.4
Upstream Loan 5	as defined in Section 5.5
Upstream Loan Assumption Agreements	as defined in Section 8.3
Upstream Loans	as defined in Section 5.5
VAT	as defined in Section 30.3
W&I Insurance	as defined in Section 20.4

W&I Liability Caps	as defined in Section 20.4
Waiver Letter	as defined in Section 4.4.2
Withdrawal Agreement	as defined in Section 3.1.5
WKSJ	as defined in Section 28.4

RECITALS

- (A) **WHEREAS**, Sellers are the direct or indirect owners of the companies and participations listed in **Exhibit (A)** (herein collectively “**EHG Group**”).
- (B) **WHEREAS**, the EHG Group is active in the design, assembly and marketing of recreational vehicles addressing all relevant customer segments, with products ranging from affordable entry-level models to comfortable luxury class vehicles, including related and ancillary activities concerning, *inter alia*, accessories, services and rental of vehicles (herein collectively “**Business**”).
- (C) **WHEREAS**, Sellers intend to sell and transfer the EHG Group to Purchaser, and Purchaser intends to purchase and acquire the EHG Group from Sellers, in each case in accordance with the terms and conditions of this sale and purchase agreement (herein “**Agreement**”).

NOW, THEREFORE, the Parties agree as follows:

1. Transaction Dates

- 1.1. “**Signing Date**” shall be the day on which this Agreement is executed by all Parties hereto.
- 1.2. “**Effective Date**” shall be 31 May 2018, 24:00 hours.
- 1.3. “**CP Completion Date**” shall be
- 1.3.1. the day on which the positive Closing Condition set forth in Section 11.1.1 below (herein “**Positive Closing Condition**”) is fulfilled or duly waived, provided that the negative Closing Condition set forth in Section 11.1.2 below (herein “**Negative Closing Condition**”) is also fulfilled or duly waived as of such day; or
- 1.3.2. in the event that the Negative Closing Condition is not fulfilled or duly waived as of the day on which the Positive Closing Condition is fulfilled or duly waived, the next day thereafter on which the Negative Closing Condition is fulfilled or duly waived.

- 1.4. “**Scheduled Closing Date**” shall be
 - 1.4.1. if the CP Completion Date occurs prior to the date that is the tenth (10th) day from the end of a month, subject to Sections 1.4.3 and 1.4.4 below, the first (1st) Business Day of the month following the month in which the CP Completion Date occurred, but in no event earlier than the first (1st) Business Day in November 2018;
 - 1.4.2. if the CP Completion Date occurs on or after the date that is the tenth (10th) day from the end of a month, subject to Sections 1.4.3 and 1.4.4 below, the first (1st) Business Day of the second (2nd) month following the month in which the CP Completion Date occurred;
 - 1.4.3. subject to Section 1.4.4 below, the first (1st) Business Day in February if the first (1st) month or the second (2nd) month, as the case may be, pursuant to Sections 1.4.1 or 1.4.2, respectively, is January;
 - 1.4.4. in the event that the Negative Closing Condition is not fulfilled or duly waived as of the day which would be Scheduled Closing Date but for the non-fulfillment of the Negative Closing Condition (herein “**Deferred Scheduled Closing Date**”),
 - 1.4.4.1. the first (1st) Business Day of the month following the month on a day of which the Negative Closing Condition is for the first time after the Deferred Scheduled Closing Date again fulfilled or duly waived (herein “**New CP Completion Date**”), provided that the New CP Completion Date occurs prior to the date that is the tenth (10th) day from the end of a month; or
 - 1.4.4.2. the first (1st) Business Day of the second (2nd) month following the month in which the New CP Completion Date occurred, provided that the New CP Completion Date occurs on or after the date that is the tenth (10th) day from the end of a month; or
 - 1.4.5. any other day as agreed in writing between the Parties.
- 1.5. “**Closing Date**” shall be the day on which the last of the Closing Events (as defined in Section 11.14 below) has taken place or has been duly waived.

2. Current Corporate and Accounting Status

- 2.1. Erwin Hymer Group SE (herein “ **Target Company** ”) is a European stock corporation (*Societas Europaea, SE*) under the laws of the European Union, having its registered office (*Sitz*) in Bad Waldsee, Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm under HRB 737238. The Target Company has a registered share capital (*Grundkapital*) of EUR 481,686 (in words: Euro four hundred eighty-one thousand six hundred eighty-six), divided into 481,686 (in words: four hundred eighty-one thousand six hundred eighty-six) no-par value registered shares (*auf den Namen lautende nennwertlose St ü ckaktien*) with an arithmetic share in the registered share capital (*rechnerische Beteiligung am Grundkapital*) of EUR 1.00 (in words: Euro one) each (herein collectively “ **Target Shares** ”). The Target Shares are held as follows:
- 2.1.1. Seller 1 holds 32,648 (in words: thirty-two thousand six hundred forty-eight) Target Shares, representing approximately 6.78% (in words: six point seven eight percent) of the aggregate registered share capital (*Grundkapital*) of the Target Company (such Target Shares together with any and all other shares which Seller 1 may hold in the Target Company herein collectively “ **S1 Target Shares** ”);
- 2.1.2. Seller 2 holds 224,518 (in words: two hundred twenty-four thousand five hundred eighteen) Target Shares, representing approximately 46.61% (in words: forty-six point six one percent) of the aggregate registered share capital (*Grundkapital*) of the Target Company (such Target Shares together with any and all other shares which Seller 2 may hold in the Target Company herein collectively “ **S2 Target Shares** ”); and
- 2.1.3. Seller 3 holds 224,520 (in words: two hundred twenty-four thousand five hundred twenty) Target Shares, representing approximately 46.61% (in words: forty-six point six one percent) of the aggregate registered share capital (*Grundkapital*) of the Target Company (such Target Shares together with any and all other shares which Seller 3 may hold in the Target Company herein collectively “ **S3 Target Shares** ”).

The Target Company directly or indirectly holds the shares or interests in the Subsidiaries listed in **Exhibit 2.1-1** (herein collectively “ **Target Subsidiaries** ”). The Target Company and the Target Subsidiaries are herein collectively referred to as “ **Companies** ” and each individually as a “ **Company** ”. The Companies listed

in **Exhibit 2.1-2** are herein collectively referred to as “ **Material Companies** ” and each individually as a “ **Material Company** ”. The Affiliates of Sellers, other than the Companies, are herein collectively referred to as “ **Sellers’ Affiliates** ”.

- 2.2. The EHG Group’s accounting year starts on 1 September of each calendar year and ends on 31 August of each calendar year (herein “ **Accounting Year** ”).

3. Corporate Reorganizations

- 3.1. Since the beginning of the Accounting Year starting on 1 September 2017 until the Signing Date, the following corporate reorganizations were implemented with respect to the EHG Group (herein “ **Corporate Reorganizations** ”):

- 3.1.1. Pursuant to a certain merger plan dated 25 April 2018 (roll of deeds no. 462/2018 of notary public Heidi Knoll with offices in Bad Waldsee) (herein “ **SE Merger Agreement** ”), EH 1 AG, a wholly-owned subsidiary of the Target Company, organized as a stock corporation (*Aktiengesellschaft*) under the laws of Austria, having its registered office (*Sitz*) in Altheim, Austria, and registered with the commercial register (*Firmenbuch*) of the regional court (*Landesgericht*) of Ried im Innkreis under FN 487384 t, was merged (*verschmolzen*) with economic retroactive effect as of 31 March 2018 into the Target Company, which at the time of the execution of the SE Merger Agreement was named Erwin Hymer Vermögensverwaltungs AG and was organized as a stock corporation (*Aktiengesellschaft*) under the laws of Germany, having its registered office (*Sitz*) in Munich, Germany, and was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 192607 (herein “ **SE Merger** ”). The SE Merger was registered with the commercial register (*Handelsregister*) of the Target Company on 7 June 2018 and resulted in a change of the legal form of the Target Company into a European stock corporation.
- 3.1.2. Pursuant to a certain merger agreement dated 23 July 2018 (roll of deeds no. 2018/849 of notary public Heidi Knoll with offices in Bad Waldsee, Germany) (herein “ **EHB Merger Agreement** ”), Erwin Hymer Beteiligungs AG, a wholly owned subsidiary of the Target Company, organized as a stock corporation (*Aktiengesellschaft*) under the laws of Germany, having its registered office (*Sitz*) in Bad Waldsee,

Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm under HRB 600243, was merged (*verschmolzen*) with economic retroactive effect as of 31 March 2018 into the Target Company (herein “ **EHG Merger** ”). The EHG Merger was registered with the commercial register (*Handelsregister*) of the Target Company on 31 July 2018.

- 3.1.3. Pursuant to a certain contribution agreement dated 8 August 2018 (roll of deeds no. 2018/945 of notary public Heidi Knoll with offices in Bad Waldsee, Germany) (herein “ **Contribution Agreement** ”), Sellers undertook to contribute (*einbringen*) and transfer (*übertragen*) in their capacity as sole legal and beneficial owners:
- 3.1.3.1. all of their limited partnership interests (*Kommanditbeteiligungen*), in each case including the credit or debit positions of the respective partners’ and partners’ loan accounts (*Gesellschafter- und Gesellschafterdarlehenskonto*), held in Erwin Hymer Group AG & Co. KG, a limited partnership (*Kommanditgesellschaft*) under the laws of Germany, having its registered office (*Sitz*) in Bad Waldsee, Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm under HRA 724242 (herein “ **EHG** ”);
 - 3.1.3.2. all of their shares held in Erwin Hymer Group Verwaltungs AG, organized as a stock corporation (*Aktiengesellschaft*) under the laws of Austria, having its registered office (*Sitz*) in Altheim, Austria, and registered with the commercial register (*Firmenbuch*) of the regional court (*Landesgericht*) of Ried im Innkreis under FN 423847 f and having a branch (*Niederlassung*) in Bad Waldsee, Germany, which is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm under HRB 731531 (herein “ **EHGV** ”);
 - 3.1.3.3. all of their partnership interests held in GbR Hymer Polch, a civil law partnership (*Gesellschaft bürgerlichen Rechts*) under the laws of Germany, having its registered office in Bad Waldsee, Germany (herein “ **GbR Polch** ”); and

- 3.1.3.4. the real property held by Seller 1 as sole legal and beneficial owner and registered in (i) the land register (*Grundbuch*) of the local court (*Amtsgericht*) of Ravensburg for Bad Waldsee, district (*Gemarkung*) Bad Waldsee, folio (*Blatt*) 7491 BV 1, plot (*Flurst ü ck*) 1170/1 and (ii) the land register (*Grundbuch*) of the local court (*Amtsgericht*) of Ravensburg for Bad Waldsee, district (*Gemarkung*) Bad Waldsee, folio (*Blatt*) 7491 BV 3, plot (*Flurst ü ck*) 1127/0 (herein “ **Property Stahlstraße** ”),

to the Target Company with retroactive tax effect as of the Effective Date and with retroactive economic effect as of 1 June 2018, 00:00 hours (herein “ **Contribution** ”). In consideration of the Contribution effected by Sellers, Sellers received 238,364 (in words: two hundred thirty-eight thousand three hundred sixty-four) Target Shares which were newly issued pursuant to a shareholders’ resolution on an increase of the registered share capital (*Grundkapital*) of the Target Company (herein “ **Capital Increase Resolution** ”) by an aggregate nominal amount of EUR 238,364 (in words: Euro two hundred thirty-eight thousand three hundred sixty-four) (herein “ **Capital Increase** ”), such Capital Increase having been registered with the commercial register (*Handelsregister*) of the Target Company on 28 August 2018. The Contribution effected in relation to GbR Polch resulted in an accession (*Anwachsung*) of GbR Polch into the Target Company. Regarding the Contribution effected in relation to the Property Stahlstraße, a priority notice of conveyance (*Erwerbsvormerkung*) was registered with the land register (*Grundbuchamt*) of the local court (*Amtsgericht*) of Ravensburg on 23 August 2018.

- 3.1.4. Pursuant to a certain shareholders’ resolution dated 17 August 2018, the name of the Target Company was changed to Erwin Hymer Group SE, such change of name, together with certain additional changes of the articles of association including an increase of the size of the supervisory board from three (3) to six (6) members, having been registered with the commercial register (*Handelsregister*) of the Target Company on 28 August 2018. Further, pursuant to such shareholders’ resolution, Seller 1’s appointment as member of the supervisory board of the Target Company was revoked with effect as of 28 August 2018, 24:00 hours, and Mr. Johannes Stegmaier, Dr. Wolfgang Baur,

Mr. Kurt Mück and Dr. Sebastian Zieger were appointed as new members of the supervisory board of the Target Company, in each case with effect as of 29 August 2018, 00:00 hours.

- 3.1.5. On 1 September 2018, EHGV, being the sole general partner (*Komplement ä r*) of EHG, withdrew (*ist ausgetreten*) as partner (*Gesellschafter*) from EHG. The withdrawal (*Austritt*) was effected pursuant to a withdrawal agreement entered into on 17 August 2018 by EHGV and the Target Company (herein “ **Withdrawal Agreement** ”) and resulted in an accession (*Anwachsung*) of EHG to the Target Company (herein “ **EHG Collapse Merger** ”).
- 3.1.6. With effect as of 1 September 2018, the composition of the management board (*Vorstand*) of the Target Company was changed such that the management board of the Target Company comprises Mr. Martin Brandt, Mr. Stefan Junker, Mr. Jan de Haas and Mr. Jörg Reithmeier.
- 3.1.7. The relocation of the registered office (*Sitz*) of the Target Company to Bad Waldsee, Germany, pursuant to the shareholders’ resolution dated 17 August 2018 was registered with the commercial register of the Target Company on 12 September 2018.

- 3.2. The Withdrawal Agreement together with the SE Merger Agreement, the EHB Merger Agreement, the Contribution Agreement and the Capital Increase Resolution and in each case together with any ancillary documentation are herein also referred to as “ **Corporate Reorganization Documents** ”.

4. Current Financing Status

- 4.1. Certain Companies are, as of the Signing Date, in their capacity as borrowers and guarantors, as the case may be, parties to a certain syndicated loan agreement (*Konsortialkreditvertrag*) dated 18 December 2017, entered into between, among others, EHG and Rental Alliance GmbH, a wholly owned indirect subsidiary of EHG, organized as a limited liability company (*Gesellschaft mit beschr ä nkter Haftung*) under the laws of Germany, having its registered office (*Sitz*) in Isny im Allgäu, Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm under HRB 621035 (herein “ **REN** ”), as borrowers, EHG, REN and other Companies as guarantors, Deutsche Bank

Luxembourg S.A. as facility agent and several financial institutions as lenders providing for a revolving credit facility in the amount of EUR 300,000,000 (in words: Euro three hundred million) (including any ancillary facility agreements entered into under or in connection with such syndicated loan agreement herein “**Syndicated Loan Agreement**”). The obligations of the Companies which are borrowers or guarantors under the Syndicated Loan Agreement are secured by guarantees issued by EHG, REN and certain other Companies and not by any properties and assets of the Companies.

- 4.2. Certain Companies are, as of the Signing Date, in their capacity as borrowers and guarantors, as the case may be, parties to two (2) certificated term loan agreements (*Schuldscheindarlehnungsverträge*) dated 23 February 2018, entered into between, among others, EHG as borrower, other Companies as guarantors, Landesbank Baden-Württemberg and Landesbank Hessen-Thüringen Girozentrale (herein “**LHTG**”) as arrangers and LHTG as original lender (herein collectively “**Certificated Loan Agreements**”) providing for two (2) certificated term loans (*Schuldscheindarlehen*) in the original amounts of EUR 70,000,000 (in words: Euro seventy million) and EUR 30,000,000 (in words: Euro thirty million), respectively, which were made available by LHTG to EHG on 2 March 2018 and were assigned by LHTG to various investors on or about 2 March 2018. The payment obligations of EHG as borrower under the Certificated Loan Agreements are secured by guarantees issued by certain other Companies. The Syndicated Loan Agreement and the Certificated Loan Agreements together with the further external financing arrangements available to the EHG Group and listed in **Exhibit 4.2** are herein collectively referred to as “**External Debt Financing Agreements**”.
- 4.3. **Exhibit 4.3-1** shows the positions of debt outstanding under the External Debt Financing Agreements that Purchaser intends to refinance on the Scheduled Closing Date (herein “**Refinanced External Debt**”) and **Exhibit 4.3-2** shows the positions of debt outstanding under the External Debt Financing Agreements that Purchaser intends to remain in place after the Closing Date (herein “**Continuing External Debt**”); provided that it is understood and agreed that the Purchaser may at any time elect to re-classify for purposes of this Agreement any outstanding debt as Refinanced External Debt rather than Continuing External Debt.

- 4.4. From the Signing Date until the Closing Date, Sellers shall, and are entitled to, use their reasonable best efforts to ensure (*um sicherzustellen*) that the Companies engage and, in close coordination with Purchaser, negotiate with:
- 4.4.1. the financing banks or lenders of the relevant Companies relating to the Refinanced External Debt in order to obtain pay-off and/or security release letters pursuant to which the relevant Companies may terminate and prepay the relevant outstanding debt on the Scheduled Closing Date and such Companies will be fully released from any payment and other obligations in their respective capacity as borrower, guarantor and/or security provider and any lien, security interest or charge granted in connection with such Refinanced External Debt will be released upon such prepayment (herein each a “ **Release Letter** ”);
- 4.4.2. the financing banks or lenders of the relevant Companies relating to the Continuing External Debt in order to obtain (i) a waiver of any termination right which the relevant financing bank(s) or lender(s) may have, or of any breach which may result, in either case as a result of the Thor Change of Control (as defined in Section 4.12 below) and/or (ii) an amendment or waiver agreement to the existing financing documentation underlying the relevant Continuing External Debt, *e.g.* , providing for an amendment of negative pledge-clauses which are incompatible with Purchaser’s own Debt Financing (as defined in Section 13.1.4 below), provided, however, that any amendment or waiver contemplated by such amendment or waiver agreement may come into effect only subject to the condition precedent (*aufschiebende Bedingung*) of the transfer of the Target Shares to Purchaser becoming effective (as set forth in clause (i) and/or (ii), herein each a “ **Waiver Letter** ”);
- provided that (i) Sellers shall provide Purchaser with regular (and at least weekly) updates on the status of the negotiations with the relevant financing bank or lender and (ii) Purchaser shall have the right to approve the terms and conditions of any Release Letter or Waiver Letter, such approval not to be unreasonably withheld or delayed.
- 4.5. Sellers’ obligations under Section 4.4.1 above shall in no form whatsoever entail an obligation with regard to such financing banks or lender(s) agreeing to enter into such Release Letters or otherwise agreeing to an early prepayment not permitted under the existing financing documentation underlying the Refinanced External Debt, and this Agreement and its consummation shall not be conditional upon either the Release Letters being executed by the relevant financing banks or lenders nor the Refinanced External Debt being actually capable of being prepaid on the Scheduled Closing Date. Without prejudice to the foregoing provisions,

Sellers shall, upon Purchaser's request, use their reasonable best efforts to ensure (*um sicherzustellen*) that the relevant Companies shall sign any Release Letter which has been agreed between the relevant financing bank(s) or lender(s), the relevant Companies and Purchaser.

- 4.6. Sellers' obligations under Section 4.4.2 above shall in no form whatsoever entail an obligation with regard to such financing banks or lenders agreeing to enter into such Waiver Letter nor in relation to continuing to provide the Continuing External Debt, and this Agreement and its consummation shall not be conditional upon either the Waiver Letter being executed by the relevant financing banks or lenders nor the Continuing External Debt continuing to be provided by such relevant financing banks or lenders. Without prejudice to the foregoing provisions, Sellers shall, upon Purchaser's request, use their reasonable best efforts to ensure (*um sicherzustellen*) that the relevant Companies shall sign any Waiver Letter which has been agreed between the relevant financing bank(s) or lender(s), the relevant Companies and Purchaser.
- 4.7. The Purchaser and Sellers shall co-operate in connection with the Companies' negotiation with the relevant financing banks or lenders pursuant to Section 4.4 above and Purchaser shall provide the Companies, promptly upon the Sellers' request, with any information or documents (including, without limitation, any documents requested by the relevant financing bank or lender to comply with any applicable *know your customer* -requirements, banking supervisory laws, anti-money laundering laws or any other regulatory provisions) which are reasonably necessary or desirable to obtain a Release Letter or a Waiver Letter, as the case may be, from the relevant financing bank or lender provided, however, that Sellers make such request at least ten (10) Business Days prior to the Scheduled Closing Date; provided further that Purchaser shall provide Sellers such information to comply with such applicable *know your customer* -requirements, banking supervisory laws, anti-money laundering laws or any other regulatory provisions at least five (5) Business Days prior to the Scheduled Closing Date.
- 4.8. If and to the extent, with respect to any of the loans constituting Continuing External Debt, a Waiver Letter has not been obtained prior to the Closing Date, the Purchaser shall use its reasonable best efforts to ensure (*um sicherzustellen*) that the Companies, in consultation with the Sellers, negotiate with the relevant financing bank or lender as soon as reasonably practicable after the Closing Date:
- 4.8.1. with respect to any Continuing External Debt, the terms of a Waiver Letter; or

- 4.8.2. if the relevant financing bank or lender terminates the relevant underlying External Debt Financing Agreement on the basis of a termination right resulting from the actions of the Parties pursuant to Sections 4.4 through 4.8 above or from the Thor Change of Control, the amount of the Indemnifiable Prepayment Costs payable upon such termination,

provided that (i) Purchaser shall provide Sellers with regular (and at least weekly) updates on the status of the negotiations with the relevant financing bank or lender and (ii) that Sellers shall have the right to approve the Indemnifiable Prepayment Costs arising from any Waiver Letter, such approval not to be unreasonably withheld or delayed.

- 4.9. Sellers acknowledge that any information made available to Purchaser pursuant to this Agreement, in particular any information made available in the Data Room (as defined in Section 14.3.5.2 below), may, subject to Purchaser's compliance with the confidentiality provisions in Section 27 below, be shared by Purchaser and its advisers with the relevant finance parties, including (i) the Lender (as defined in Section 13.1.4 below) and (ii) any other party that provides, or has entered into, or in the future enters into, any agreement with Purchaser or any of its Affiliates to provide any of the Debt Financing (or any other financing of all or a portion of the purchase price contemplated by this Agreement), (iii) any of such party's Affiliates and (iv) any of such party's or any of its Affiliates' respective current, former or future stockholders, its limited partners, managers, members, partners or representatives, ((i) through (iv) herein collectively “ **Financing Sources** ”) to facilitate a syndication of the facilities made or to be made available in connection with the Debt Financing (or any other financing of all or a portion of the purchase price contemplated by this Agreement) or for purposes of preparing a banking information memoranda, securities prospectus, offering memorandum or similar document in connection therewith or with the issuance of any debt or equity instrument by Purchaser or any of its Subsidiaries. Sellers provided Purchaser with the information listed in **Exhibit 4.9-1** (herein “ **Required Information** ”) prior to the Signing Date and shall use their reasonable best efforts to cooperate in connection with undertaking the actions listed in **Exhibit 4.9-2** (herein “ **Required Actions** ”) as may be reasonably requested by Purchaser. In addition, Sellers shall as soon as reasonably practicable provide Purchaser with such other information with respect to the Companies, if and to the extent legally permissible and available to Sellers, as is reasonably requested in writing by Purchaser in connection with the Debt Financing, including information to comply with applicable “know your customer” and anti-money laundering rules and regulations

(including the USA PATRIOT Act), provided, however, that Purchaser makes such request at least ten (10) Business Days prior to the Scheduled Closing Date; provided further that Sellers shall provide Purchaser such information to comply with such “know your customer” and anti-money laundering rules and regulations at least five (5) Business Days prior to the Scheduled Closing Date. Purchaser acknowledges and agrees that the obtaining of any financing is in no form whatsoever a condition to the Closing and Purchaser shall remain obliged, subject only to the occurrence of the CP Completion Date, to consummate the transactions contemplated under this Agreement.

- 4.10. Sellers shall indemnify Purchaser or, at Purchaser’s election, the relevant Companies from and against any Indemnifiable Prepayment Costs (as defined in Section 4.11 below) in excess of EUR 3,000,000 (in words: Euro three million) (herein “ **Excess Indemnifiable Prepayment Costs** ”); provided that the Sellers’ indemnification obligation pursuant to this Section 4.10 shall in any event be capped by an amount which is the lower of (i) 50% (in words: fifty percent) of the Excess Indemnifiable Prepayment Costs (it being understood that the remaining 50 % (in words: fifty percent) of the Excess Indemnifiable Prepayment Costs shall be borne by the Purchaser) and (ii) EUR 12,000,000 (in words: Euro twelve million). Any payment made under this Section 4.10 shall be deemed and treated as an adjustment to the Total Purchase Price. Sellers shall not be liable for any Tax gross-up resulting from any payments made to any of the Companies pursuant to this Section 4.10.

- 4.11. “ **Indemnifiable Prepayment Costs** ” means:

- 4.11.1. any prepayment fees or penalties or breakage costs or fees of similar nature or external costs incurred by the relevant financing bank or lender, in each case payable and actually paid by any of the Companies in connection with the termination of any Continuing External Debt by the relevant financing bank or lender as a result of the actions of the Parties pursuant to Sections 4.4 through 4.8 above or as a result of the Thor Change of Control which is negotiated with, or declared by, the relevant financing bank or lender, and with respect to which such payment is made, or obligation to pay arises, between the Signing Date and the date that is forty-five (45) days after the occurrence of the Thor Change of Control; and

- 4.11.2. any prepayment fees or penalties or breakage costs or fees of similar nature or external costs incurred by the relevant financing bank or lender, in each case payable and actually paid by any of the Companies to any investor or lender under any Certificated Loan Agreement as consideration for such investor or lender entering into a Release Letter if such fee or costs becomes payable (or the obligation to pay arises) between the Signing Date and the date that is forty-five (45) days after the occurrence of the Thor Change of Control; and
- 4.11.3. with respect to any Continuing External Debt only, any (i) consent fee or waiver fee or (ii) any other fee, penalty or other increased cost or expense, in each case of (i) and (ii) payable and actually paid by any of the Companies to the relevant financing bank or lender as consideration for such financing bank or lender entering into a Waiver Letter as a result of the actions of the Parties pursuant to Sections 4.4 through 4.8 above or as a result of the Thor Change of Control if such consent and waiver fee becomes payable (or the obligation to pay arises) between the Signing Date and the date that is forty-five (45) days after the occurrence of the Thor Change of Control;

in each case with the exception of any amounts which are directly related to any release of real estate security under Continuing External Debt in order to ensure compliance with the terms of Purchaser's own Debt Financing unless the release of such real estate security is merely ancillary to Purchaser's request for a Waiver Letter. Further, any prepayment fees or penalties or breakage costs becoming due (i) as a result of an early repayment of any Refinanced External Debt (whether as a result of a voluntary prepayment or otherwise), (ii) as a result of the termination or cancellation of any Continuing External Debt which is declared by any Company after the Closing Date, it being, however, understood that any Indemnifiable Prepayment Costs arising pursuant to actions provided for and in accordance with Section 4.8 above shall not be excluded, or (iii) as a result of the termination of any External Debt Financing Agreement as a result of an event of default (as defined in the relevant External Debt Financing Agreement) occurring after the Closing Date, in each case, shall not constitute "Indemnifiable Prepayment Costs" and shall not be borne by the Sellers (or any of them); provided that it is understood and agreed that a Thor Change of Control and/or any event of default which is cured or negated by the terms and provisions of a Waiver Letter shall not be deemed to be an event of default for purposes of clause (iii) above.

- 4.12. "**Thor Change of Control**" means the change of control in respect of the Target Company occurring on the Closing Date upon the consummation of the transactions contemplated under this Agreement.

- 4.13. In the event that, following the Signing Date, any of the Required Information shall be found to contain a statement of a material fact which was untrue in light of the circumstances under which such statement was made or to omit a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made, when taken as a whole with other information made available by Sellers, Sellers shall, upon respective request of Purchaser made prior to the Scheduled Closing Date and setting out in reasonable detail each concerned element of the Required Information, use their reasonable best efforts to correct each such element of the Required Information (herein “**Sellers’ Rectification Covenant**”).

5. Upstream Loans

- 5.1. The Target Company, in its capacity as lender, granted to Seller 1, in her capacity as borrower, an upstream loan with a principal amount of EUR 542,000 (in words: Euro five hundred forty-two thousand) bearing interest at a rate of 1% (in words: one percent) per annum under a certain intra-group loan agreement no. 2904 dated 23 January 2018, as amended from time to time (herein “**Upstream Loan 1**”). The Upstream Loan 1 was disbursed in full to Seller 1 on 29 January 2018.
- 5.2. The Target Company, in its capacity as lender, granted to Seller 2, in her capacity as borrower, an upstream loan with a principal amount of EUR 2,229,000 (in words: Euro two million two hundred twenty-nine thousand) bearing interest at a rate of 1% (in words: one percent) per annum under a certain intra-group loan agreement no. 2902 dated 23 January 2018, as amended from time to time (herein “**Upstream Loan 2**”). The Upstream Loan 2 was disbursed in full to Seller 2 on 29 January 2018.
- 5.3. The Target Company, in its capacity as lender, granted to Seller 3, in his capacity as borrower, an upstream loan with a principal amount of EUR 2,229,000 (in words: Euro two million two hundred twenty-nine thousand) bearing interest at a rate of 1% (in words: one percent) per annum under a certain intra-group loan agreement no. 2903 dated 23 January 2018, as amended from time to time (herein “**Upstream Loan 3**”). The Upstream Loan 3 was disbursed in full to Seller 3 on 29 January 2018.
- 5.4. The Target Company, being the general legal successor (*Gesamtrechtsnachfolgerin*) of EHG, in its capacity as lender, granted to Seller 2, in her capacity as borrower, an upstream loan facility with a principal amount of

up to EUR 17,500,000 (in words: Euro seventeen million five hundred thousand) bearing interest at a rate equal to the three (3) month's EURIBOR, but in no event less than 0% (in words: zero percent), plus a margin of 1.5% (in words: one point five percent) per annum under a certain intra-group loan agreement dated 2 March 2018, as amended and restated on 7 June 2018 and as further amended from time to time (herein “**Upstream Loan 4**”). The Upstream Loan 4 was disbursed to Seller 2 in partial amounts of EUR 1,715,000 (in words: Euro one million seven hundred fifteen thousand), EUR 1,692,000 (in words: Euro one million six hundred ninety-two thousand) and EUR 1,692,000 (in words: Euro one million six hundred ninety-two thousand) on 9 March 2018, 6 June 2018 and 7 September 2018, respectively.

- 5.5. The Target Company, being the general legal successor (*Gesamtrechtsnachfolgerin*) of EHG, in its capacity as lender, granted to Seller 3, in his capacity as borrower, an upstream loan facility with a principal amount of up to EUR 17,500,000 (in words: Euro seventeen million five hundred thousand) bearing interest at a rate equal to the three (3) month's EURIBOR, but in no event less than 0% (in words: zero percent), plus a margin of 1.5% (in words: one point five percent) per annum under a certain intra-group loan agreement dated 2 March 2018, as amended and restated on 7 June 2018 and as further amended from time to time (herein “**Upstream Loan 5**”, and, together with the Upstream Loan 1, the Upstream Loan 2, the Upstream Loan 3 and the Upstream Loan 4, herein “**Upstream Loans**”). The Upstream Loan 5 was disbursed to Seller 3 in partial amounts of EUR 1,580,000 (in words: Euro one million five hundred eighty thousand), EUR 1,580,000 (in words: Euro one million five hundred eighty thousand) and EUR 1,580,000 (in words: Euro one million five hundred eighty thousand) on 9 March 2018, 6 June 2018 and 7 September 2018, respectively.
- 5.6. Following the Signing Date, each Seller shall promptly inform Purchaser about each and every change of the outstanding amounts, except for unpaid interest accruing in accordance with the terms governing the Upstream Loans, under the relevant Upstream Loans. No later than on the seventh (7th) Business Day prior to the Scheduled Closing Date, each of Sellers shall deliver to Purchaser a written notice stating as of a certain date prior to the Scheduled Closing Date (herein “**Relevant Notification Date**”):
- 5.6.1. the actual outstanding amount (including unpaid interest accrued thereon) under the Upstream Loan 1 as of the Scheduled Closing Date (herein “**S1 Actual Upstream Loan Amount**”);

- 5.6.2. the actual aggregate outstanding amount (including unpaid interest accrued thereon) under the Upstream Loan 2 and the Upstream Loan 4 as of the Scheduled Closing Date (herein “ **S2 Actual Upstream Loan Amount** ”); and
- 5.6.3. the actual aggregate outstanding amount (including unpaid interest accrued thereon) under the Upstream Loan 3 and the Upstream Loan 5 as of the Scheduled Closing Date (herein “ **S3 Actual Upstream Loan Amount** ”, and, together with the S1 Actual Upstream Loan Amount and the S2 Actual Upstream Loan Amount, herein “ **Actual Aggregate Upstream Loan Amount** ”).

Sellers shall be entitled at any time prior to the Relevant Notification Date to receive additional disbursements (*Auszahlungen*) under the Upstream Loans.

- 5.7. Each Seller shall procure (*steht dafür ein*) that there shall be no disbursements (*Auszahlungen*) under his/her Upstream Loan(s) in the time period between the Relevant Notification Date and the Scheduled Closing Date.

6. Sale, Purchase and Transfer of the Target Shares

- 6.1. Seller 1 hereby (i) sells (*verkauft*) to Purchaser the S1 Target Shares with economic effect (*mit wirtschaftlicher Wirkung*) as of the Effective Date, and (ii), subject to all of the Closing Conditions (as defined in Section 11.1 below) having been fulfilled or duly waived, undertakes to transfer (*übertragen*) to Purchaser the S1 Target Shares on the Scheduled Closing Date in accordance with the terms and conditions of a separate transfer agreement substantially in the form as attached hereto as **Exhibit 6.1** (herein “ **S1 Shares Transfer Agreement** ”). The sale (*Verkauf*) and transfer (*Übertragung*) of the S1 Target Shares pursuant to the foregoing sentence shall include all rights and obligations pertaining to the S1 Target Shares, in particular the right to any profits not yet distributed on or prior to the Effective Date.
- 6.2. Purchaser hereby purchases from Seller 1 the S1 Target Shares and undertakes to accept on the Scheduled Closing Date the transfer (*Übertragung*) of the S1 Target Shares in accordance with Section 6.1 above and the terms and conditions of the S1 Shares Transfer Agreement.

- 6.3. Seller 2 hereby (i) sells (*verkauft*) to Purchaser the S2 Target Shares with economic effect (*mit wirtschaftlicher Wirkung*) as of the Effective Date, and (ii), subject to all of the Closing Conditions having been fulfilled or duly waived, undertakes to transfer (*übertragen*) to Purchaser the S2 Target Shares on the Scheduled Closing Date in accordance with the terms and conditions of a separate transfer agreement substantially in the form as attached hereto as **Exhibit 6.1** (herein “ **S2 Shares Transfer Agreement** ”). The sale (*Verkauf*) and transfer (*Übertragung*) of the S2 Target Shares pursuant to the foregoing sentence shall include all rights and obligations pertaining to the S2 Target Shares, in particular the right to any profits not yet distributed on or prior to the Effective Date.
- 6.4. Purchaser hereby purchases from Seller 2 the S2 Target Shares and undertakes to accept on the Scheduled Closing Date the transfer (*Übertragung*) of the S2 Target Shares in accordance with Section 6.3 above and the terms and conditions of the S2 Shares Transfer Agreement.
- 6.5. Seller 3 hereby (i) sells (*verkauft*) to Purchaser the S3 Target Shares with economic effect (*mit wirtschaftlicher Wirkung*) as of the Effective Date, and (ii), subject to all of the Closing Conditions having been fulfilled or duly waived, undertakes to transfer (*übertragen*) to Purchaser the S3 Target Shares on the Scheduled Closing Date in accordance with the terms and conditions of a separate transfer agreement substantially in the form as attached hereto as **Exhibit 6.1** (herein “ **S3 Shares Transfer Agreement** ”, and, together with the S1 Shares Transfer Agreement and the S2 Shares Transfer Agreement, herein “ **Shares Transfer Agreements** ”). The sale (*Verkauf*) and transfer (*Übertragung*) of the S3 Target Shares pursuant to the foregoing sentence shall include all rights and obligations pertaining to the S3 Target Shares, in particular the right to any profits not yet distributed on or prior to the Effective Date.
- 6.6. Purchaser hereby purchases from Seller 3 the S3 Target Shares and undertakes to accept on the Scheduled Closing Date the transfer (*Übertragung*) of the S3 Target Shares in accordance with Section 6.5 above and the terms and conditions of the S3 Shares Transfer Agreement.

7. Share Transfer Approval

In accordance with Section 4 (6) of the articles of association of the Target Company, Sellers as sole shareholders of the Target Company have passed a unanimous shareholders’ resolution (*Hauptversammlungsbeschluss*) of the Target

Company dated 18 September 2018 approving the transfer (*Übertragung*) of the Target Shares to Purchaser and, based thereon, the Target Company (represented by its management board (*Vorstand*)) has approved (*Zustimmung erteilt*) the transfer (*Übertragung*) of the Target Shares to Purchaser. Copies of such shareholders' resolution (*Hauptversammlungsbeschluss*) and such approval (*Zustimmung*) by the Target Company are attached hereto as **Exhibit 7**.

8. Assumptions of Upstream Loans

- 8.1. On the Scheduled Closing Date, Purchaser shall assume all obligations and liabilities under or in connection with the Upstream Loan 1 from, and under full release (*mit schuldbefreiender Wirkung*) of, Seller 1 by means of entering into an assumption agreement substantially in the form as attached hereto as **Exhibit 8.1** (herein “ **S1 Upstream Loan Assumption Agreement** ”).
- 8.2. On the Scheduled Closing Date, Purchaser shall assume all obligations and liabilities under or in connection with the Upstream Loan 2 and the Upstream Loan 4 from, and under full release (*mit schuldbefreiender Wirkung*) of, Seller 2 by means of entering into an assumption agreement substantially in the form as attached hereto as **Exhibit 8.1** (herein “ **S2 Upstream Loan Assumption Agreement** ”).
- 8.3. On the Scheduled Closing Date, Purchaser shall assume all obligations and liabilities under or in connection with the Upstream Loan 3 and the Upstream Loan 5 from, and under full release (*mit schuldbefreiender Wirkung*) of, Seller 3 by means of entering into an assumption agreement substantially in the form as attached hereto as **Exhibit 8.1** (herein “ **S3 Upstream Loan Assumption Agreement** ” and, together with the S1 Upstream Loan Assumption Agreement and the S2 Upstream Loan Assumption Agreement, herein “ **Upstream Loan Assumption Agreements** ”).
- 8.4. Sellers shall procure (*stehen dafür ein*) that the Target Company in its capacity as lender under the Upstream Loan 1, the Upstream Loan 2, the Upstream Loan 3, the Upstream Loan 4 and the Upstream Loan 5 shall declare its consent to the contemplated assumptions by Purchaser in accordance with the S1 Upstream Loan Assumption Agreement, the S2 Upstream Loan Assumption Agreement and the S3 Upstream Loan Assumption Agreement, respectively, by written declaration substantially in the form as attached hereto as **Exhibit 8.4**, no later than three (3) Business Days prior to (but excluding) the Scheduled Closing Date.

9. Purchase Price

9.1. The purchase price for the Target Shares, including the assumption of the Upstream Loans, shall be the aggregate of:

9.1.1. a fixed amount of:

EUR 1,851,600,000

(in words: Euro one billion eight hundred fifty-one million six hundred thousand)

(herein “ **Base Purchase Price** ”);

plus

9.1.2. an amount of EUR 246,739 (in words: Euro two hundred forty-six thousand seven hundred thirty-nine) per day for every day in the period commencing on (and including) the Effective Date and ending on (and excluding) the earlier of (i) the day which is five (5) months after the Signing Date and (ii) the Closing Date (herein “ **Daily Cash Amount** ”);

plus

9.1.3. an amount of EUR 370,109 (in words: Euro three hundred seventy thousand one hundred nine) per day for every day, if any, in the period commencing on (and including) the day which is five (5) months after the Signing Date and ending on (and excluding) the Closing Date (herein “ **Increased Daily Cash Amount** ”);

minus

9.1.4. the aggregate amount of the Actual Aggregate Upstream Loan Amount;

(herein collectively “ **Total Purchase Price** ”).

9.2. The calculation of the Base Purchase Price, as derived from the underlying enterprise value of the EHG Group as of the Effective Date, is attached hereto as **Exhibit 9.2** (herein “ **Equity Value Bridge** ”).

- 9.3. The Total Purchase Price shall be allocated to Sellers as follows:
- 9.3.1. an amount corresponding to (i) Seller 1's Pro Rata Liability Percentage (as defined in Section 25 below) multiplied with the sum of (x) the Base Purchase Price plus (y) the aggregate amount of the Daily Cash Amounts and the Increased Daily Cash Amounts (such sum herein “ **Increased Base Purchase Price** ”) minus (ii) the S1 Actual Upstream Loan Amount shall be allocated to Seller 1 (herein “ **S1 Total Purchase Price** ”);
 - 9.3.2. an amount corresponding to (i) Seller 2's Pro Rata Liability Percentage multiplied with the Increased Base Purchase Price minus (ii) the S2 Actual Upstream Loan Amount shall be allocated to Seller 2 (herein “ **S2 Total Purchase Price** ”); and
 - 9.3.3. an amount corresponding to (i) Seller 3's Pro Rata Liability Percentage multiplied with the Increased Base Purchase Price minus (ii) the S3 Actual Upstream Loan Amount shall be allocated to Seller 3 (herein “ **S3 Total Purchase Price** ”).
- 9.4. The Total Purchase Price shall be partly paid in cash and partly in shares of Guarantor's common stock with a par value USD 0.10 (in words: US Dollars zero point one zero) per share of Guarantor (herein “ **Guarantor Common Stock** ”).

10. Payments and Default

- 10.1. The S1 Total Purchase Price shall be due (*fällig*) and payable (*zahlbar*) on the Scheduled Closing Date and shall be paid by, or on behalf of, Purchaser in accordance with the provisions of Section 11.14 below:
- 10.1.1. by wire transfer, free of charges (other than by Seller 1's bank) to Seller 1, in immediately available funds into Seller 1's bank account to be notified by Sellers' Representative to Purchaser no later than five (5) Business Days prior to (but excluding) the Scheduled Closing Date (herein “ **Seller 1's Account** ”) in the amount of the S1 Total Purchase Price minus EUR 12,549,885 (in words: Euro twelve million five hundred forty-nine thousand eight hundred eighty-five) (herein “ **S1 Cash Consideration** ”); and

- 10.1.2. by issuance to Seller 1 of 152,942 (in words: one hundred fifty-two thousand nine hundred forty-two) shares of Guarantor Common Stock (herein “ **S1 Stock Consideration** ”).
- 10.2. The S2 Total Purchase Price shall be due (*f ä l l i g*) and payable (*z a h l b a r*) on the Scheduled Closing Date and shall be paid by, or on behalf of, Purchaser in accordance with the provisions of Section 11.14 below:
- 10.2.1. by wire transfer, free of charges (other than by Seller 2’s bank) to Seller 2, in immediately available funds into Seller 2’s bank account to be notified by Sellers’ Representative to Purchaser no later than five (5) Business Days prior to (but excluding) the Scheduled Closing Date (herein “ **Seller 2’s Account** ”) in the amount of the S2 Total Purchase Price minus EUR 86,304,673 (in words: Euro eighty-six million three hundred four thousand six hundred seventy-three) (herein “ **S2 Cash Consideration** ”), and
- 10.2.2. by issuance to Seller 2 of 1,051,770 (in words: one million fifty-one thousand seven hundred seventy) shares of Guarantor Common Stock (herein “ **S2 Stock Consideration** ”).
- 10.3. The S3 Total Purchase Price shall be due (*f ä l l i g*) and payable (*z a h l b a r*) on the Scheduled Closing Date and shall be paid by, or on behalf of, Purchaser in accordance with the provisions of Section 11.14 below:
- 10.3.1. by wire transfer, free of charges (other than by Seller 3’s bank) to Seller 3, in immediately available funds into Seller 3’s bank account to be notified by Sellers’ Representative to Purchaser no later than five (5) Business Days prior to (but excluding) the Scheduled Closing Date (herein “ **Seller 3’s Account** ” and, together with Seller 1’s Account and Seller 2’s Account, herein collectively “ **Sellers’ Accounts** ”) in the amount of the S3 Total Purchase Price minus EUR 86,305,442 (in words: Euro eighty-six million three hundred five thousand four hundred forty-two) (herein “ **S3 Cash Consideration** ”), and
- 10.3.2. by issuance to Seller 3 of 1,051,780 (in words: one million fifty-one thousand seven hundred eighty) shares of Guarantor Common Stock (herein “ **S3 Stock Consideration** ” and, together with the S1 Stock Consideration and S2 Stock Consideration, herein collectively “ **Stock Consideration** ”).

- 10.4. As to the issuance of the Stock Consideration, Guarantor hereby undertakes to have the Guarantor Common Stock issued in accordance with Sections 10.1.2, 10.2.2 and 10.3.2 above and the other terms of this Agreement. In the event that (i) the outstanding Guarantor Common Stock shall have been changed after the Signing Date into a different number of shares or different class by reason of any reclassification, recapitalization, stock split, split-up, combination or exchange of shares, or (ii) a stock dividend or dividend or distribution payable in cash, in any other assets or in any other securities, other than any quarterly cash dividend with respect to Guarantor Common Stock not to exceed USD 0.40 (in words: US Dollar zero point four zero) per share of Guarantor Common Stock declared and paid in the ordinary course of business consistent with past practice by Guarantor (herein “ **Ordinary Quarterly Cash Dividend** ”), shall be declared with a record date between the Signing Date and the Closing Date, or (iii) any other event with a similar economic effect shall have occurred, any Stock Consideration shall be appropriately adjusted to provide Sellers the same economic effect as contemplated by this Agreement prior to such event. Nothing in this Section 10.4 or elsewhere in this Agreement provides Sellers with any right or entitlement to any Ordinary Quarterly Cash Dividend with respect to the Guarantor Common Stock to be issued to Sellers as Stock Consideration with a record date prior to the issuance of such Guarantor Common Stock to Sellers.
- 10.5. All payments pursuant to Sections 10.1 through 10.4 above shall be made in full and without any deduction or withholding.
- 10.6. Unless otherwise instructed by the Sellers’ Representative (as defined in Section 29.3 below) in writing no later than five (5) Business Days prior to (but excluding) the respective due date, all other payments owed by Purchaser to any Seller under this Agreement shall be paid by, or on behalf of, Purchaser by wire transfer, free of charges (other than by the relevant Seller’s bank) to the relevant Seller, in immediately available funds into the relevant Sellers’ Account.
- 10.7. All payments owed by a Seller to Purchaser under this Agreement, if any, shall be paid by, or on behalf of, the relevant Seller by wire transfer, free of charges (other than by Purchaser’s bank) to Purchaser, in immediately available funds into the bank account notified by Purchaser to Sellers’ Representative in writing no later than five (5) Business Days prior to (but excluding) the respective due date.
- 10.8. Except as otherwise provided herein, each of the Parties shall pay interest on any amount becoming due (*fällig*) and payable (*zahlbar*) to any other Party under this Agreement as from (and including) the respective due date until (but excluding)

the day of actual payment at the rate of 900 bp (in words: nine hundred basis points) above the base interest rate (*Basiszinssatz*) within the meaning of Section 247 German Civil Code (*BGB*). In case Purchaser fails to pay any portion of the Total Purchase Price in accordance with Sections 10.1 through 10.3 above, the foregoing default interest (*Verzugszins*) shall be paid in addition to the Daily Cash Amount and the Increased Daily Cash Amount, if any.

11. Closing Conditions and Closing

- 11.1. The closing (*Vollzug*) of the transactions contemplated under this Agreement (herein “ **Closing** ”) pursuant to Section 11.14 below shall be subject to the conditions precedent (*aufschiebende Bedingungen*) (herein “ **Closing Conditions** ”) that:
- 11.1.1. the merger control approvals or clearances required (i) for the consummation of the acquisition of the Target Shares under the merger control laws of the jurisdictions listed in **Exhibit 11.1.1-1**, (ii) for the consummation of the acquisition of the S2 Stock Consideration and the S3 Stock Consideration under the merger control laws of the jurisdictions listed in **Exhibit 11.1.1-2** and (iii) for the consummation of the acquisition of the Target Shares, the S2 Stock Consideration and/or the S3 Stock Consideration under applicable merger control laws of other jurisdictions, if any, ((i) through (iii) herein collectively “ **Clearances** ”) have been obtained or are deemed, by applicable laws, to have been obtained, *e.g.* , because of the lapse, expiration or termination of the applicable waiting periods or because jurisdiction has been declined; and
 - 11.1.2. no governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced, commenced or entered any order, injunction, judgment, decree, ruling or stay (preliminary or permanent) or applicable law which is in effect and which has the effect of making the transactions contemplated by this Agreement illegal or otherwise prohibiting consummation of the transactions contemplated by this Agreement.
- 11.2. Guarantor, Purchaser, Seller 2 and Seller 3 (herein “ **Clearance Filers** ”) shall take, and Sellers shall procure (*stehen dafür ein*) that the Target Company takes, all actions necessary to prepare the necessary filings for the Clearances as soon as

reasonably possible following the Signing Date and the Clearance Filers shall make all filings for the Clearances, and Sellers shall procure (*stehen dafür ein*) that the Target Company, if and to the extent legally required, makes all filings for the Clearances, no later than ten (10) Business Days after the Signing Date. The Clearance Filers shall take all actions necessary to furnish the relevant authority with all information required in connection therewith. The Parties undertake to cooperate with each other by providing information to the extent reasonably required by the Clearance Filers for such purpose. Further, the Parties agree on the following:

- 11.2.1. Each Clearance Filer shall (i) give the other Parties reasonable advance notice of any notification, submission or other communication which such Clearance Filer proposes to make or submit to any authority and (ii) provide the other Parties with copies of such draft notification, submission or correspondence and any supporting documentation or information reasonably requested by another Party, provided that a Clearance Filer shall, to the extent required by law, not be obliged to provide any other Party with any confidential information or business secrets, which information shall be provided to the other Party's outside antitrust or competition counsel on a counsel-to-counsel basis subject to the terms of a common interest agreement to be entered into among the Parties' outside antitrust counsel. Each Clearance Filer undertakes to take any comments of other Parties in relation to any such notification, submission or communication into due consideration; provided, however, that Guarantor shall have the principal responsibility for devising and implementing the strategy for obtaining all Clearances and shall lead and direct all submissions to, and all meetings and communications with, any governmental authority or other party in connection with Clearances, including litigation matters with respect to any Clearances; provided, further, that no Party shall participate in any meeting or substantive communication with any governmental authority in connection with any Clearance unless it consults with the other Parties in advance and, to the extent not prohibited by such governmental authority, gives the other Parties the opportunity to attend and participate therein or thereat.
- 11.2.2. Guarantor shall be responsible for obtaining, and the other Clearance Filers shall use their commercially reasonable efforts to obtain, the Clearances. In particular, Guarantor shall undertake (or cause to be undertaken) any and all steps necessary to avoid or eliminate each and

every impediment under any law, rule or regulation that may be asserted by any relevant authority so as to enable the Parties to consummate the transactions contemplated under this Agreement, including (i) committing to and effecting, as promptly as possible (*i.e.* in first phase proceedings, if possible under relevant rules), the sale or disposition of any assets, properties or businesses (or any parts thereof) of the Companies, Guarantor and/or any of its Affiliates, and (ii) entering into such other arrangements, including any business restrictions, necessary to avoid the effect of delaying or preventing the consummation of the transactions contemplated under this Agreement. Guarantor shall, subject to its unrestricted responsibility for obtaining the Clearances, be free to choose, at its sole discretion, one (or more) of several steps (if any) eligible to avoid or eliminate any impediment asserted by any relevant authority so as to enable the Parties to consummate the transactions contemplated under this Agreement.

- 11.3. The Parties shall not, and shall procure (*steht dafür ein*) that its Affiliates shall not, enter into any transaction or any agreement to effect any transaction (including any merger or acquisition) that might reasonably be expected to make it more difficult or to materially increase the time required to obtain the Clearances.
- 11.4. Each Party shall use reasonable best efforts to ensure (*sicherstellen*) the fulfillment of the Negative Closing Condition.
- 11.5. The Parties shall in writing without undue delay notify each other of (i) any of the Closing Conditions having been fulfilled and/or (ii) the definitive (*endgültige*) failure of any of the Closing Conditions to be fulfilled.
- 11.6. Sellers and Purchaser may jointly waive the Negative Closing Condition by giving written notice of such waiver to each other. A waiver pursuant to this Section 11.6 shall have the effect of eliminating the requirement that the relevant Closing Condition is fulfilled on the Closing Date, but shall not limit or prejudice any rights or claims the Party or Parties entitled to waive it may have due to the fact that the Closing Condition has not been fulfilled.
- 11.7. Each of Sellers and Purchaser shall, until Closing has occurred, be entitled to withdraw from (*zurücktreten*) this Agreement with effect for all Parties by written notice to the other Parties if (i) until the date which is six (6) months after the Signing Date (herein “ **Drop Dead Date** ”) the Closing Conditions are not fulfilled or duly waived (herein “ **Closing Condition Default** ”) and (ii) the Closing Conditions are not fulfilled at the time the withdrawing Party declares the withdrawal, unless,

- 11.7.1. if a Seller is the withdrawing Party, (i) a Seller is or was in breach of any of its obligations under Section 11.2 above (herein “**Sellers’ Clearance Covenants**”), the burden of proof for such breach of a Sellers’ Clearance Covenant vesting in Purchaser, unless (ii) such breach of a Sellers’ Clearance Covenant has not caused the Positive Closing Condition not to be fulfilled on or prior to the Drop Dead Date, the burden of proof for such breach not causing the nonfulfillment of the Positive Closing Condition by the Drop Dead Date vesting in Sellers; and
- 11.7.2. if Purchaser is the withdrawing Party, (i) Guarantor and/or Purchaser, as the case may be, are or were in breach of any of their respective obligations under Section 11.2 above (herein “**Guarantor’s and Purchaser’s Clearance Covenants**”), the burden of proof for such breach of a Guarantor’s and Purchaser’s Clearance Covenant vesting in Sellers, unless (ii) such breach of a Guarantor’s and Purchaser’s Clearance Covenant has not caused the Positive Closing Condition not to be fulfilled on or prior to the Drop Dead Date, the burden of proof for such breach not causing the nonfulfillment of the Positive Closing Condition by the Drop Date vesting in Purchaser.
- 11.8. Each of Sellers and Purchaser shall, until Closing has occurred, be entitled to withdraw from (*zur ü cktreten*) this Agreement with effect for all Parties by written notice to the other Parties if a Closing Event is not fulfilled by the Party or Parties, as the case may be, obliged to fulfill such Closing Event in breach of the terms and conditions of this Agreement (herein “**Closing Default**”), provided that
 - 11.8.1. the withdrawing Party or Parties (as the case may be) are at the same time not in breach of their obligations under this Agreement to fulfill (i) the Closing Events and (ii), in case of a withdrawal by a Seller, Sellers’ Rectification Covenant; and
 - 11.8.2. the Closing Default has not been remedied by the Party or Parties, as the case may be, being in breach within the later of (i) three (3) Business Days after having been notified by the respective withdrawing Party or Parties, as the case may be, in writing of such Closing Default and (ii), only in case of a withdrawal by a Seller and non-fulfillment of Sellers’ Rectification Covenant, ten (10) Business Days after the fulfillment of Sellers’ Rectification Covenant.

- 11.9. Purchaser shall, until Closing has occurred, be entitled to withdraw from (*zurücktreten*) this Agreement with effect for all Parties by written notice to the other Parties if Purchaser is unable to fulfill a Closing Event which Purchaser is obliged to fulfill and such inability is caused by Sellers' breach of Sellers' Rectification Covenant, which has not been remedied by Sellers within ten (10) Business Days after having been notified in writing by Purchaser, the burden of proof for (i) the breach of Sellers' Rectification Covenant, (ii) the lack of remediation of Sellers' Rectification Covenant within the ten (10) Business Days' period and (iii) such breach being the cause of Purchasers' inability to fulfill a Closing Event vesting in Purchaser.
- 11.10. Any right to withdraw from this Agreement pursuant to Sections 11.7 through 11.9 above may only be exercised until the date which is six (6) months after the Drop Dead Date.
- 11.11. In the event of a withdrawal (*Rücktritt*) of a Party in accordance with Sections 11.7 through 11.9 above, none of the Parties shall have any obligation or incur any liability towards any of the other Parties and Sellers shall have no claims of whatever nature (including damage claims) against Purchaser provided that (i) the obligation of Purchaser to pay the Break Fee in accordance with Section 11.12 below, (ii) the obligation of Purchaser to pay damages in accordance with Sections 11.12 or 11.13 below, (iii) the obligation of any Party to pay damages for breach of this Agreement prior to the date of withdrawal, if any, and (iv) the provisions in Sections 26, 27, 29 through 34, 36 and 37 below shall in each case survive and remain in full force and effect.
- 11.12. If and once
- 11.12.1. a Seller, with effect for all Parties, has duly withdrawn (*zurückgetreten*) from this Agreement in accordance with Section 11.7 in conjunction with Section 11.7.1 above because of a Closing Condition Default (excluding, however, any withdrawal by Sellers because of the non-fulfillment of a Negative Closing Condition prohibiting solely the Sellers to consummate the transaction contemplated by this Agreement); or

- 11.12.2. Purchaser, with effect for all Parties, has duly withdrawn (*zurückgetreten*) from this Agreement in accordance with Section 11.7 in conjunction with Section 11.7.2 above because of a Closing Condition Default at a time when a Seller would also have been entitled to withdraw pursuant to Section 11.7 in conjunction with Section 11.7.1 above for a Closing Condition Default (excluding, however, any withdrawal by Sellers because of the non-fulfillment of a Negative Closing Condition prohibiting solely the Sellers to consummate the transaction contemplated by this Agreement),

Purchaser shall pay to Sellers, being joint creditors (*Gesamtgläubiger*), a break fee in the amount of EUR 60,000,000 (in words: Euro sixty million) as liquidated damages (*pauschalierter Schadensersatz*) to compensate Sellers for any costs, expenses and other damages incurred in connection with the transactions contemplated under this Agreement (herein “ **Break Fee** ”). The Parties agree that the Break Fee shall be the exclusive remedy in such case unless Guarantor and/or Purchaser willfully (*vorsätzlich*) acted in breach of Guarantor’s and Purchaser’s Clearance Covenants or the obligations under Section 11.4 above, the burden of proof for a willful breach vesting in Sellers, in which case Purchaser shall also pay the additional amount, if any, necessary to compensate Sellers for (i) any lost profits (*entgangener Gewinn*) resulting from the failed Closing of the transactions contemplated under this Agreement and (ii) any proven external costs, expenses and other direct damages actually incurred by Sellers in connection with the transactions contemplated under this Agreement, it being understood that the payment of the Break Fee shall count towards (*wird angerechnet*) any such damages incurred by Sellers.

- 11.13. If and once any Seller, with effect for all Parties, has duly withdrawn (*zurückgetreten*) from this Agreement in accordance with Section 11.8 because of a Closing Default committed (and not duly and timely remedied) by Purchaser and/or Guarantor, Purchaser shall pay to Sellers, being joint creditors (*Gesamtgläubiger*), the amount necessary to compensate Sellers for (i) any lost profits (*entgangener Gewinn*) resulting from the failed Closing of the transactions contemplated under this Agreement and (ii) any proven external costs, expenses and other direct damages actually incurred by Sellers in connection with the transactions contemplated under this Agreement.
- 11.14. Closing shall occur on the Scheduled Closing Date. At 10:00 a.m., or any other time as agreed between the Parties, on the Scheduled Closing Date, the Parties and/or their duly authorized representatives shall convene at the offices of

Hengeler Mueller, Leopoldstr. 8-10, 80802 Munich, Germany, or any other place as agreed between the Parties, and the following events (herein “ **Closing Events** ”) shall take place in the following order:

- 11.14.1. Execution of the S1 Shares Transfer Agreement between Seller 1 and Purchaser;
- 11.14.2. Execution of the S2 Shares Transfer Agreement between Seller 2 and Purchaser;
- 11.14.3. Execution of the S3 Shares Transfer Agreement between Seller 3 and Purchaser;
- 11.14.4. Execution of the S1 Upstream Loan Assumption Agreement between Seller 1 and Purchaser;
- 11.14.5. Execution of the S2 Upstream Loan Assumption Agreement between Seller 2 and Purchaser;
- 11.14.6. Execution of the S3 Upstream Loan Assumption Agreement between Seller 3 and Purchaser;
- 11.14.7. Execution of the License Agreement (as defined in Section 19 below) between Seller 1, Seller 3 and the Target Company, unless executed prior to the Scheduled Closing Date;
- 11.14.8. Delivery by Sellers of a shareholders’ resolution of the Target Company regarding the removal from office of Seller 2, Seller 3 and Mr. Johannes Stegmaier as members of the supervisory board of the Target Company with effect prior to or as of the Scheduled Closing Date unless and to the extent that Sellers have already resigned from their office with effect prior to or as of the Scheduled Closing Date;
- 11.14.9. Delivery by Sellers of a shareholders’ resolution of the Target Company regarding the appointment of a certain person as member of the supervisory board of the Target Company with effect prior to or as from the Scheduled Closing Date, such person to be notified by Sellers to Purchaser no later than five (5) Business Days prior to the Scheduled Closing Date;

- 11.14.10. Payment by Purchaser of the S1 Cash Consideration into Seller 1's Account;
 - 11.14.11. Payment by Purchaser of the S2 Cash Consideration into Seller 2's Account;
 - 11.14.12. Payment by Purchaser of the S3 Cash Consideration into Seller 3's Account;
 - 11.14.13. Delivery by Purchaser of an irrevocable notice from Guarantor's transfer agent as to the issuance in uncertificated form by book-entry in Guarantor's direct registration system, or, at the sole option of Purchaser, one or more stock certificates, free and clear of any liens, for the aggregate number of shares of Guarantor Common Stock issuable as the S1 Stock Consideration, registered in the name of Seller 1;
 - 11.14.14. Delivery by Purchaser of an irrevocable notice from Guarantor's transfer agent as to the issuance in uncertificated form by book-entry in Guarantor's direct registration system, or, at the sole option of Purchaser, one or more stock certificates, free and clear of any liens, for the aggregate number of shares of Guarantor Common Stock issuable as the S2 Stock Consideration, registered in the name of Seller 2; and
 - 11.14.15. Delivery by Purchaser of an irrevocable notice from Guarantor's transfer agent as to the issuance in uncertificated form by book-entry in Guarantor's direct registration system, or, at the sole option of Purchaser, one or more stock certificates, free and clear of any liens, for the aggregate number of shares of Guarantor Common Stock issuable as the S3 Stock Consideration, registered in the name of Seller 3.
- 11.15. Each of Sellers jointly and Purchaser may waive the non-fulfillment of any of the Closing Events (or parts thereof) by the respective other Party/ies by written notice to the other Party/ies, provided that (i) the Closing Events pursuant to Sections 11.14.1 through 11.14.3 may only be waived by Sellers and Purchaser jointly, (ii) the Closing Events pursuant to Sections 11.14.7 through 11.14.8 above may only be waived by Purchaser in its sole discretion and (iii) the Closing Events pursuant to Sections 11.14.4 through 11.14.6 and 11.14.9 through 11.14.15 above may only be waived by Sellers jointly in their sole discretion. Each of Sellers and Purchaser hereby irrevocably accepts any such waiver by the other Party/ies, provided that such waiver shall not prejudice any rights or remedies which may be

available to the waiving Party/ies under or in connection with this Agreement. Any such waiver may include a requirement that the relevant Closing Event (or parts thereof) shall be fulfilled as soon as possible and the waiving Party/ies shall in such case be entitled to request such due performance after the Closing Date.

- 11.16. Immediately following the fulfillment and/or waiver, as the case may be, of all Closing Events, Sellers and Purchaser shall execute a closing protocol substantially in the form as attached hereto as **Exhibit 11.16** confirming the due fulfillment and/or valid waiver, as the case may be, of all Closing Conditions and all Closing Events.

12. Sellers' Guarantees

- 12.1. Each Seller hereby guarantees, in each case, except for the Individual Sellers' Guarantees (as defined below), only severally, but not jointly (*als Teilschuldner*), and in each case subject to any limitations contained in this Agreement, in particular the remedies set forth in Section 14 below, the Time Limitations (as defined in Section 20.1 below), the exclusion of De Minimis Claims (as defined in Section 20.3 below), the Threshold (as defined in Section 20.3 below), the W&I Liability Caps (as defined in Section 20.4 below), the General Liability Caps (as defined in Section 20.5 below) and the Overall Liability Caps (as defined in Section 20.6 below), by way of an independent guarantee pursuant to Section 311 (1) German Civil Code (*BGB*) that the statements set forth in Sections 12.1.1 through 12.1.23 below are true and correct on the Signing Date and/or on any other date explicitly referred to below (herein collectively “ **Sellers' Guarantees** ”). To the extent a Sellers' Guarantee expressly refers to Sellers or the Target Shares (herein each an “ **Individual Sellers' Guarantee** ”), each Seller gives such Individual Sellers' Guarantee only with respect to himself/herself and only with respect to those Target Shares owned by him/her, as the case may be.

- 12.1.1. **Enforceability and Capacity; No Interference** . On the Signing Date and on the Closing Date, this Agreement constitutes the legal, valid and binding obligation of Sellers, enforceable under applicable laws against Sellers in accordance with its terms, except to the extent that the enforceability thereof may be limited by bankruptcy or insolvency laws; Sellers have the absolute and unrestricted right, power, authority and capacity to execute this Agreement; except for the Clearances and any notices required under the External Debt Financing Agreements, Sellers are not required to give any notice to any person or obtain any consent

or governmental authorization or approval in connection with the execution and performance of this Agreement by Sellers; there is no action, suit, investigation or other proceeding that has reached a final, non-appealable judgment against or affecting any Seller before any authority that prevents or materially delays the execution and performance of this Agreement or the transactions contemplated herein.

- 12.1.2. **Existence of the Target Company and Ownership of the Target Shares** . On the Signing Date and on the Closing Date, (i) the Target Company is duly incorporated and validly existing under the laws of the European Union, (ii) Seller 1 is the sole and unrestricted legal and beneficial owner of the S1 Target Shares, (iii) Seller 2 is the sole and unrestricted legal and beneficial owner of the S2 Target Shares and (iv) Seller 3 is the sole and unrestricted legal and beneficial owner of the S3 Target Shares. On the Signing Date and on the Closing Date, the Target Shares have been validly issued in compliance with applicable law and are fully paid up and there exist no obligations to make further contributions (*keine Nachschusspflichten*) with respect to the Target Shares. On the Signing Date and on the Closing Date, the Target Shares have not been pledged, assigned, charged or used as a security to or by a third party and are free and clear of any other third party rights.
- 12.1.3. **Existence and Ownership of Companies** . On the Signing Date and on the Closing Date, the statements in Section 2.1 above are true and correct. To the Knowledge of Sellers (as defined in Section 12.4 below), each of the Companies is duly incorporated or established and validly existing under the laws of its jurisdiction. On the Signing Date and on the Closing Date, the full and unrestricted legal and beneficial title to the shares and partnership interests held indirectly by Sellers in the Companies are held by the Companies as set forth in **Exhibit (A)** . To the Knowledge of Sellers, the shares and partnership interests held indirectly by Sellers in the Companies have been validly issued in compliance with applicable law and are fully paid up and there exist no obligations to make further contributions (*keine Nachschusspflichten*) with respect to such shares and partnership interests. To the Knowledge of Sellers, the shares and partnership interests held indirectly by Sellers in the Companies have not been pledged, assigned, charged or used as a security to or by a third party and are free and clear of any other third party rights.

- 12.1.4. **Bankruptcy, Insolvency or Judicial Composition Proceedings** . No bankruptcy, insolvency or judicial composition proceedings concerning Sellers or, to the Knowledge of Sellers, a Company have been applied for (i) by Sellers or the management of any Company or (ii), to the Knowledge of Sellers, any third party, and, to the Knowledge of Sellers, no circumstances exist which would require the application for any bankruptcy, insolvency or judicial composition proceedings concerning Sellers or any Company or justify any action of avoidance of this Agreement.
- 12.1.5. **Enterprise Agreements** . To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.5** , the Companies are not party to any enterprise agreements within the meaning of Sections 291 and 292 German Stock Corporation Act (*AktG*) or comparable profit sharing or pooling agreements or arrangements, including silent partnership agreements and similar arrangements, under the laws of any other jurisdiction.
- 12.1.6. **Conduct of Business** . To the Knowledge of Sellers and except for the transactions described in or contemplated under this Agreement and/or the Corporate Reorganization Documents and/or disclosed in **Schedule 12.1.6** and/or as required by law, in the period from the Effective Date until the Signing Date, the Companies have conducted their respective business operations in the ordinary course of business and consistent with past practice, except where the failure to do so or the changes, as the case may be, would not result in a Material Adverse Effect (as defined in Section 12.5 below).
- 12.1.7. **Consolidated and Individual Financial Statements** .
- 12.1.7.1. To the Knowledge of Sellers, the consolidated financial statements of each of EHG and Erwin Hymer Vermögensverwaltungs AG, for each of the fiscal years ending on 31 August 2017 and 31 August 2016 (each including a statement of financial position (*Bilanz*), a statement of profit or loss (*Gewinn- und Verlustrechnung*), a statement of comprehensive income (*Gesamtergebnisrechnung*), a statement of cash flows (*Kapitalflussrechnung*), a statement of changes in owner's equity (*Entwicklung des Eigenkapitals*), notes (*Anhang*)

and management report (*Lagebericht*)), copies of which are attached hereto as **Exhibit 12.1.7.1** (herein “ **Consolidated Financial Statements** ”), based on the circumstances actually known (*positive bekannt*) by the management of EHG or Erwin Hymer Vermögensverwaltungs AG, respectively, at the time of the preparation (*Aufstellung*) of the relevant Consolidated Financial Statements, have been prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a German Commercial Code (*HGB*) as consistently applied (except as disclosed therein) and have been audited and have received an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (herein “ **EY** ”).

- 12.1.7.2. To the Knowledge of Sellers, the Consolidated Financial Statements give, in all material respects, a true and fair view of the assets, financial position and performance (*ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage*) of the relevant groups in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a German Commercial Code (*HGB*) as of the respective dates of such Consolidated Financial Statements and for the periods indicated therein.
- 12.1.7.3. To the Knowledge of Sellers, the individual financial statements of the Material Companies for the fiscal years ending on 31 August 2017 and 31 August 2016 (each including a balance sheet and a profit and loss statement), copies of which are attached hereto as **Exhibit 12.1.7.3-1** (herein “ **Individual Financial Statements** ”), based on the circumstances actually known (*positive bekannt*) by the management of the relevant Material Company at the time of the preparation (*Aufstellung*) of the relevant Individual Financial Statements, have been prepared in accordance with Local GAAP as consistently applied (except as disclosed therein). To the Knowledge of Sellers, the Individual Financial Statements of the Material Companies listed in **Exhibit 12.1.7.3-2** have been audited and have

received an unqualified audit opinion by EY, EY S.p.A., Ernst & Young LLP, KPMG LLP or In Extenso Strasbourg-Nord SA, as applicable.

12.1.7.4. The Parties agree that nothing in this Section 12.1.7 shall be construed or interpreted as an objective balance sheet guarantee (*objektive Bilanzgarantie*).

12.1.8. **Interim Combined Financial Statements** . The interim condensed combined financial statements of the Target Company as of the Effective Date and for the nine (9) months' period then ended, comprising a statement of financial position, a statement of profit or loss, a statement of comprehensive income, a statement of changes in the owner's equity, a statement of cash flows and the basis of preparation, a copy of which is attached hereto as **Exhibit 12.1.8** (herein “ **Interim Combined Financial Statements** ”), have been prepared by the management of the Target Company and have been reviewed by EY. To the Knowledge of Sellers, the review has been conducted in accordance with the German generally accepted standards for review of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer, IDW*). To the Knowledge of Sellers, there exist no material circumstances which would cause the Interim Combined Financial Statements not to be prepared, in all material respects, in accordance with the basis of preparation reflected in Annex 6 of the Interim Combined Financial Statements. To the Knowledge of Sellers, subject to the provisions governing the preparation of interim financial reporting, the recognition and measurement methods (*Ansatz- und Bewertungswahlrechte*) applied for the Interim Combined Financial Statements were used consistently compared to the Consolidated Financial Statements. The Parties agree that nothing in this Section 12.1.8 shall be construed or interpreted as an objective balance sheet guarantee (*objektive Bilanzgarantie*).

12.1.9. **Material Assets** .

12.1.9.1. To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.9.1**, all tangible fixed assets (*Sachanlagevermögen*) necessary and required for carrying out the Business of the Material Companies in substantially

the same manner as on the Signing Date (herein collectively “ **Material Fixed Assets** ”) are owned or held in lawful possession by the Companies, except where the failure to do so would not result in a Material Adverse Effect. To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.9.1**, the Material Fixed Assets are not charged with any rights of third parties including the transfer for security purposes (*Sicherungsübereignungen*), except for (i) customary rights of retention of title (*handelsübliche Eigentumsvorbehalte*), liens, pledges or other security rights in favor of suppliers, mechanics, workers, landlords, carriers and the like, (ii) statutory security rights in favor of governmental authorities competent for the charging and imposition of Taxes (herein “ **Tax Authorities** ”) or other governmental authorities and (iii) other encumbrances (*Belastungen*) that would not result in a Material Adverse Effect.

- 12.1.9.2. To the Knowledge of Sellers, all current assets (*Umlaufvermögen*), including inventories, necessary for carrying out the Business of the Material Companies in substantially the same manner as on the Signing Date and the lack of which would result in a Material Adverse Effect (herein “ **Material Current Assets and Inventories** ”) are not charged with any rights of third parties including the transfer for security purposes (*Sicherungsübereignung*), and the Companies are free to dispose of the Material Current Assets and Inventories, except for (i) customary retentions of title arrangements (*branchenübliche Eigentumsvorbehalte*), liens, pledges or other customary encumbrances or security rights in favor of suppliers, mechanics, workers, landlords, carriers and the like, (ii) statutory security rights in favor of Tax Authorities or other governmental authorities, (iii) other security rights, in particular those granted under the External Debt Financing Agreements, and (iv) other encumbrances (*Belastungen*) that would not result in a Material Adverse Effect.

12.1.10. Real Estate .

- 12.1.10.1. To the Knowledge of Sellers, **Schedule 12.1.10.1** contains a list of real property (*Grundeigentum*) and rights equivalent to real property (*grundstücksgleiche Rechte*) to which a Company holds legal title and which is necessary for carrying out the Business of the Material Companies in substantially the same manner as on the Signing Date (herein “ **Material Owned Real Estate** ”). To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.10.1** or the relevant land register excerpts (*Grundbuchauszüge*) provided in the Data Room (as defined in Section 14.3.5.2 below), the relevant Company is the unrestricted legal and beneficial owner of the respective Material Owned Real Estate and no piece of the Material Owned Real Estate is (i) encumbered with any land charges or mortgages (*Grundpfandrechte*) or other rights of third parties or (ii) subject to any unregistered or otherwise pending transfer (*Auflassung*) or any other contractual arrangement creating an obligation to transfer any Material Owned Real Estate to a third party (other than the Companies).
- 12.1.10.2. To the Knowledge of Sellers, **Schedule 12.1.10.2 -1** contains a list of lease agreements, excluding any lease agreements which are entered into exclusively between Companies, regarding leased real estate used by the Material Companies in the Business under which the relevant Material Company’s lease payment obligations exceed, in each case, a value of EUR 1,000,000 (in words: Euro one million) per annum (herein “ **Lease Agreements** ”). To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.10.2 -2**, none of the Lease Agreements has been terminated or ended by way of notice of termination or otherwise or has been substantially amended within the last twelve (12) months before the Signing Date. To the Knowledge of Sellers, there are no facts or circumstances that would entitle a contracting party to terminate a Lease Agreement for cause (*aus wichtigem Grund*).

12.1.11. **Intellectual Property Rights** . To the Knowledge of Sellers,

- 12.1.11.1. the Companies hold title in, or have a right to use, all patents, trademarks, internet domains and other registered intellectual property rights and applications for registered intellectual property rights which are necessary for carrying out the Business of the Material Companies in substantially the same manner as on the Signing Date and the lack of which would result in a Material Adverse Effect (herein “ **Material IP Rights** ”);
- 12.1.11.2. all registration and maintenance fees have been paid to validly maintain the Material IP Rights with the competent authorities;
- 12.1.11.3. the Material IP Rights are valid and no rights forming part of such Material IP Rights have been abandoned, have lapsed or have been otherwise lost through the action or failure to act by Sellers or any Company, it being understood that such action or failure shall not include (i) any abandonments, lapses or other losses incurred in the regular course of prosecution of the Material IP Rights or (ii), with respect to the trademarks forming part of the Material IP Rights, any susceptibility to cancellation for non-use;
- 12.1.11.4. except as disclosed in **Schedule 12.1.11.4** and except where an infringement would not result in a Material Adverse Effect, within two (2) years prior to the Signing Date, no third party (including without limitation Sellers and Sellers’ Affiliates) infringed any of the Material IP Rights and, within the last two (2) years prior to the Signing Date, there were no written third party challenges regarding the validity of any of the Material IP Rights directed to a governmental authority or court, except for official communications from trademark offices as part of normal prosecution;

- 12.1.11.5. except as disclosed in **Schedule 12.1.11.5** and except where an infringement would not result in a Material Adverse Effect, no Material Company infringes upon any registered intellectual property right of any third party (including without limitation Sellers and Sellers’ Affiliates) and, within two (2) years prior to the Signing Date, no third party has notified Sellers or any of the Companies in writing of any alleged infringement of such third party’s registered intellectual property rights by the conduct of any Company’s Business; and
- 12.1.11.6. the Material Companies are entitled to exercise control over the know-how and technologies used by them for or in connection with the Business which are not in the public domain (herein “**Know-how**”) and which they require in order to conduct the Business of the Material Companies in substantially the same manner as conducted on the Signing Date, except where the lack of such control would not result in a Material Adverse Effect.
- 12.1.12. **Employees** . To the Knowledge of Sellers,
- 12.1.12.1. **Schedule 12.1.12.1** sets forth a list of (i) all collective bargaining agreements (*Tarifverträge*) or comparable agreements in foreign jurisdictions applicable to a Material Company and (ii) all applicable agreements (a) entered into within the last three (3) years’ prior to the Signing Date or (b) that are otherwise in effect as of the Signing Date, in each case, between any of the Material Companies and a workers’ council (*Betriebsrat*) or a comparable council in a foreign jurisdiction of a Material Company which, in each case of (i) and (ii), contain (x) material limitations to terminate employment agreements, including severance payments, (y) obligations of a Material Company to maintain establishments at certain sites or (z) guarantees to maintain a certain number of employees;
- 12.1.12.2. **Schedule 12.1.12.2** contains a complete list as of the Signing Date of all employees and managing directors (*Geschäftsführer*) of the Material Companies with an annual target salary (including base salary and target bonus) in excess of EUR 200,000 (in words: Euro two hundred thousand) in the individual case (herein “**Key Employees**”); and

- 12.1.12.3. none of the Key Employees has given written notice of termination of his or her service or employment.
- 12.1.13. **Compliance with Labor Laws and Regulations** . To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.13**, the Companies are in compliance with their own policies and all laws and regulations relating to labor conditions, employment practices, non-discrimination and work environment, and in particular including those dealing with wages and any other remuneration, hours and working time, immigration, employee termination (actual or constructive), plant closing, changes in operations, collective or mass layoffs, privacy, vacations and working conditions for their employees, including occupational health and safety regulations, except in cases where the failure to do so would not lead to a Material Adverse Effect. To the Knowledge of Sellers, all applicable statutory obligations of the Companies in respect of the current and former deployment of self-employed contractors and temporary workers have been fulfilled, except where the failure to do so would not result in a Material Adverse Effect.
- 12.1.14. **Material Agreements** . To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.14**, the Material Companies are not a party to any of the following types of agreements or commitments relating to the Business which are not otherwise referred to in this Agreement and which have not yet been completely fulfilled (*nicht vollst ä ndig erf ü llte Vertr ä ge*), excluding any agreements which are concluded exclusively between Companies:
- 12.1.14.1. agreements relating to the acquisition or disposal (whether by share or asset deal) of any business or any shares or interests in any corporations or partnerships or any real property, in each case with a value exceeding EUR 500,000 (in words: Euro five hundred thousand) in the individual case;
- 12.1.14.2. joint venture, shareholders or consortium agreements;

- 12.1.14.3. loan and credit agreements, or other agreements or instruments evidencing financial indebtedness of any of the Material Companies, including financial leases, factoring agreements, asset-backed security transactions or agreements relating to swaps, futures, options, forward sales or purchases or other financial derivatives or combinations thereof, in each case involving outstanding obligations or liabilities, individually, in excess of EUR 1,000,000 (in words: Euro one million), but excluding the Syndicated Loan Agreement and the Certificated Loan Agreements;
- 12.1.14.4. agreements securing, individually, financial indebtedness of third parties (other than any other Company) in excess of EUR 1,000,000 (in words: Euro one million), such as pledges, guarantees (*Garantien oder Bürgschaften*) or letters of comfort (*Patronatserklärungen*) extended by any of the Material Companies to any third party (other than any other Company);
- 12.1.14.5. agreements to sell or otherwise dispose of any assets with a fair market or replacement value, individually, in excess of EUR 2,000,000 (in words: Euro two million) other than sales agreements in the ordinary course of business consistent with past practice;
- 12.1.14.6. agreements relating to capital expenditures involving an amount in excess of EUR 2,000,000 (in words: Euro two million);
- 12.1.14.7. agreements entered into between suppliers of the Business and any of the Material Companies (including purchasing framework agreements but excluding specific orders under purchasing framework agreements entered into in the ordinary course of business consistent with past practice) with an aggregate order volume for the financial year 2017/18 exceeding EUR 10,000,000 (in words: Euro ten million) in the individual case;

- 12.1.14.8. agreements entered into between customers of the Business and any of the Material Companies (including framework agreements but excluding specific orders under framework agreements) with an aggregate order volume for the financial year 2017/18 exceeding EUR 5,000,000 (in words: Euro five million) in the individual case;
- 12.1.14.9. agreements with principal obligations (*Hauptleistungspflichten*) not yet fully performed and involving a consideration or liability of a Material Company in excess of EUR 5,000,000 (in words: Euro five million), other than those agreements described in Sections 12.1.14.7 and 12.1.14.8 above;
- 12.1.14.10. agreements with continuing obligations (*Dauerschuldverhältnisse*) with principal obligations (*Hauptleistungspflichten*) not yet fully performed and involving a consideration or liability of a Material Company in excess of EUR 2,000,000 (in words: Euro two million) per annum and which does not terminate or cannot be terminated by the relevant Material Company within three (3) years after the Signing Date;
- 12.1.14.11. agreements which materially restrict the legal freedom of a Material Company to conduct the Business in certain business segments or geographical regions; and
- 12.1.14.12. agreements with a Seller, a Sellers' Affiliate or a Sellers' Related Person (as defined in Section 17.1 below) with a consideration exceeding EUR 1,000,000 (in words: Euro one million) in the individual case.

The agreements disclosed (or to be disclosed) in **Schedule 12.1.14** are herein collectively referred to as “ **Material Agreements** ”.

- 12.1.15. **Status of Material Agreements** . To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.15**, none of the Material Agreements has been terminated by any party for cause (*aus wichtigem Grund*) nor has any party to such Material Agreement given written notice about its intention to terminate the relevant Material Agreement

for cause (*aus wichtigem Grund*), in each case except where such termination would not result in a Material Adverse Effect. To the Knowledge of Sellers, no party to a Material Agreement is in actual or alleged breach of its obligations under the relevant Material Agreement which entitles the counterparty to an extraordinary termination right and which would result in a Material Adverse Effect.

12.1.16. **Insurance** . To the Knowledge of Sellers, (i) **Schedule 12.1.16-1** contains a list of all material insurance policies providing for annual premium payments exceeding EUR 250,000 (in words: Euro two hundred fifty thousand) in the individual case which are maintained by or for the benefit of a Material Company and required for carrying out the Business in substantially the same manner as on the Signing Date (herein “ **Insurance Policies** ”), (ii) all premiums under the Insurance Policies due and payable until the Signing Date have been paid and (iii) none of the Insurance Policies has been cancelled or terminated by any Material Company and none of the Material Companies has received any written notice of termination, except, in each case, where the non-compliance with (i) through (iii) would not result in a Material Adverse Effect. To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.16-2**, there exist no claims under the Insurance Policies in an amount in excess of EUR 250,000 (in words: Euro two hundred fifty thousand) in the individual case.

12.1.17. **Compliance with Laws / Permits / Subsidies**. To the Knowledge of Sellers,

12.1.17.1. except as disclosed in **Schedule 12.1.17.1**, (i) the Companies have conducted the Business in the four (4) years’ period preceding the Signing Date in compliance with (a) all applicable Material Permits (as defined in Section 12.1.17.2 below) and (b) all Caravan Related Laws, anti-bribery and anti-money-laundering laws and, with respect to horizontal relationships, with all antitrust and competition laws, in each case of (a) and (b) except where the failure to do so would not result in a Material Adverse Effect, and (ii) all products designed, assembled and marketed by the Companies are in compliance with all applicable Material Permits, laws, regulations and administrative orders, in each case except where the failure to do so would not result in a Material Adverse Effect;

- 12.1.17.2. except as disclosed in **Schedule 12.1.17.2**, (i) the Companies hold all governmental authorizations (*öffentlich-rechtliche Erlaubnisse*) (including type approvals (*Typen-Zulassungen*)) which are necessary for carrying out the Business of the Material Companies substantially in the same manner as on the Signing Date and the lack of which would result in a Material Adverse Effect (herein “ **Material Permits** ”), (ii) the Material Permits are in full force and effect (*bestandskr ä ftig*), are not challenged (*angefochten*) by any third party and there are no circumstances which would justify such a challenge and (iii) no proceedings regarding a revocation (*Widerruf*) or withdrawal (*R ü cknahme*) of any Material Permit have been initiated or threatened in writing in the last twenty-four (24) months prior to the Signing Date and there are no circumstances which would justify the initiation of such proceedings or which would justify the denial of the re-issuance of a Material Permit;
- 12.1.17.3. since 1 January 2015, no Material Company has been subject to any criminal or administrative investigations or proceedings which resulted in a fine or penalty due to a violation of applicable laws exceeding an amount of EUR 2,000,000 (in words: Euro two million) and within the last three (3) years prior to the Signing Date, no court or public authority has threatened in writing to shut down a production site of the Business of a Material Company; and
- 12.1.17.4. (i) all public grants (*Zusch ü sse*), allowances, aids and other subsidies (*Subventionen*) exceeding a volume of EUR 2,000,000 (in words: Euro two million) (herein “ **Public Subsidies** ”) received by the Material Companies in the last five (5) years prior to the Signing Date are listed in **Schedule 12.1.17.4**, (ii) no proceedings regarding a revocation, withdrawal or other cancellation of a Public Subsidy have been initiated or threatened in writing in the last twenty-four (24) months prior to the Signing Date and there

are no circumstances which would justify the initiation of such cancellation or termination, (iii) each Company is substantially in compliance with its obligations relating to the Public Subsidies, including the obligations under any ancillary provisions in the respective administrative orders or agreements, (iv) except as disclosed in **Schedule 12.1.17.4**, no Company is obliged in connection with any Public Subsidies to maintain a certain level of employees or to make any investments and (v) no Public Subsidy will have to be repaid in whole or in part as a direct consequence of the execution or consummation of this Agreement and the change of control in the Material Companies resulting therefrom.

- 12.1.18. **Litigation.** To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.18-1**, the Material Companies are not involved as claimant or defendant in any pending (*rechtsh ä ngig*) court, arbitration or administrative proceedings having a litigation value (*Streitwert*) in excess of EUR 500,000 (in words: Euro five hundred thousand) in the individual case, and no such proceedings have been threatened in writing in the last twelve (12) months prior to the Signing Date. To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.18-1** or **Schedule 12.1.18-2**, the Companies (other than the Material Companies) are not involved as claimant or defendant in any pending (*rechtsh ä ngig*) court, arbitration or administrative proceedings having a litigation value (*Streitwert*) in excess of EUR 1,000,000 (in words: Euro one million) in the individual case, and no such proceedings have been threatened in writing in the last twelve (12) months prior to the Signing Date.
- 12.1.19. **Product Liability** . To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.19**,
- 12.1.19.1. third parties have not had during the past two (2) years prior to the Signing Date raised any claims exceeding a value of EUR 2,000,000 (in words: Euro two million) in the individual case or in a series of cases relating to the same matter (*Serienschaden*) against a Company based on product liability, breach of warranty or other legal grounds in connection with the production, sale, distribution or licensing of products; and

- 12.1.19.2. in the four (4) years' period preceding the Signing Date, no Material Company has voluntarily, or as a result of a legal obligation, recalled or removed from the market any product or has improved such product as part of a recall campaign or has issued a product warning to customers or consumers, with such recall, removal, improvement or product warning resulting in total costs for the Material Companies in excess of EUR 500,000 (in words Euro five hundred thousand) in the individual case.
- 12.1.20. **Taxes** . To the Knowledge of Sellers and except as disclosed in **Schedule 12.1.20**,
- 12.1.20.1. all returns, declarations, reports, applications for refund, notices or forms relating to any Tax, including any schedules or attachments thereto (herein “ **Tax Returns** ”), required to be filed with any Tax Authority by or on behalf of any Company within the three (3) years' period prior to the Signing Date have been prepared diligently and in good faith within the meaning of Section 150 (2) German Tax Code (*AO*) (or equivalent provisions under the laws of any other jurisdiction), in all material respects, and have been filed when due;
- 12.1.20.2. there are no facts or circumstances which would require an adjustment of Tax returns filed with any Tax Authority by or on behalf of any Company within the five (5) years' period preceding the Signing Date according to Section 150 (2) German Tax Code (AO) (or equivalent provisions under the laws of any other jurisdiction);
- 12.1.20.3. each of the Companies has timely paid and/or withheld when due all Taxes shown as payable by it on any Tax assessment issued by any Tax Authority or on any Tax Return filed by it with any Tax Authority; and
- 12.1.20.4. (i) none of the Companies is involved in any extraordinary Tax audit or investigation (other than routine Tax audits in the ordinary course of business), (ii) no Tax dispute or other proceeding is pending in respect of any Material

Company (other than ordinary appeals made in the light of proceedings pending at the German Federal Tax Court (*Bundesfinanzhof*)) and (iii) no Material Company has been notified by any Tax Authority that such authority intends to commence any such proceeding.

- 12.1.21. **Pensions.** To the Knowledge of Sellers, Schedule 12.1.21 contains a complete and correct list of all plans (*Vereinbarungen und Zusagen*) of collective nature, including commitments based on works custom (*betriebliche Übung*), regarding company pensions (*betriebliche Altersversorgung*) and other long-term employee benefit plans of a comparable nature under which any of the Companies has any obligations, in the aggregate per plan, exceeding an amount of EUR 1,000,000 (in words: Euro one million) vis-à-vis current and past employees, directors and dependents thereof to provide company pension benefits, whether directly or via an external funding vehicle (including, without limitation, *Direktversicherung* , *Pensionskasse* , *Pensionsfonds* and *Unterstützungskasse*), or other long-term employee benefits of a comparable nature (herein “ **Pension Commitments** ”), it being understood that arrangements pursuant to mandatory local law (such as mandatory payments to the German statutory pension fund (*gesetzliche Rentenversicherung*)) shall not be construed as Pensions Commitments. To the Knowledge of Sellers, the Companies have always complied with the terms and conditions, requirements and obligations under or in connection with the Pension Commitments, be it vis-à-vis current and past employees, directors and dependents thereof, a support fund (*Unterstützungskasse*), a pension fund (*Pensionsfond* , *Pensionskasse*), or any other entity being entitled to any payments in connection with the Pension Commitments, including obligations arising by operation of law, except in each case where the failure to do so would not result in a Material Adverse Effect.
- 12.1.22. **Environmental Matters** . To the Knowledge of Sellers,
- 12.1.22.1. each Company is in compliance with all applicable Environmental Laws, public law contracts entered into with an authority (*öffentlich-rechtliche Verträge*) regarding Environmental Laws and orders, decrees, judgments and injunctions issued under Environmental Laws prior to the Signing Date, except where any such non-compliance would not constitute a Material Adverse Effect;

- 12.1.22.2. except as disclosed in **Schedule 12.1.22.2**, each Company has obtained all permits, licenses or other approvals issued by an authority which is necessary under Environmental Laws for any of the Companies to conduct the Business and the lack of which would result in a Material Adverse Effect (herein “ **Material Environmental Permits** ”) and is in compliance with the terms of such Material Environmental Permits, except where any such non-compliance would not constitute a Material Adverse Effect, and no Company has received written notice within the last thirty six (36) months prior to the Signing Date that any governmental authority intends to cancel or revoke any Material Environmental Permit;
 - 12.1.22.3. except as disclosed in **Schedule 12.1.22.3**, there is no action, suit, arbitration, proceeding, investigation or inquiry, whether civil, criminal or administrative, nor any demand, claim, hearing or notice of violation pending or threatened in writing in the last thirty six (36) months prior to the Signing Date against any Company relating to the Material Environmental Permits;
 - 12.1.22.4. there exists no presence of Hazardous Materials in the soil, ground water, surface water, land surface or building of the Material Owned Real Estate or real estate leased under the Lease Agreements (herein “ **Environmental Contamination** ”) except as specifically provided for in the Interim Combined Financial Statements or as disclosed in **Schedule 12.1.22.4** or where such Environmental Contamination would not constitute a Material Adverse Effect.
- 12.1.23. **Investment Representations .**
- 12.1.23.1. Guarantor Common Stock to be received by Sellers hereunder will be acquired for investment for the account of each Seller, not as a nominee or agent for any unrelated

third party, and, except as contemplated by this Agreement, not with a view to the resale or distribution (as such term is defined in the Securities Act) of any part thereof to any unrelated third party.

- 12.1.23.2. Each of Sellers, together with its advisors, has received and read or reviewed, and is familiar with, this Agreement and the other agreements executed in connection with this Agreement. None of Sellers is relying on any communication of Guarantor, Purchaser or any of its Affiliates as investment advice or as a recommendation to acquire Guarantor Common Stock. Each of Sellers has made its own independent decision that the acquisition of Guarantor Common Stock hereunder is suitable and appropriate for itself.
- 12.1.23.3. Each of Sellers, together with its advisors, has had an opportunity to ask questions and receive answers from Guarantor regarding the terms and conditions of the offering of Guarantor Common Stock hereunder and about other information, documents and records relative to Guarantor's business assets, financial condition, results of operations and liabilities.
- 12.1.23.4. Each of Sellers, upon advice of its advisors, is an experienced investor in securities and acknowledges that it can bear the economic risk of its investment hereunder in Guarantor Common Stock and has such knowledge and experience in financial, investment or business matters that it is capable of evaluating the merits and risks of the investment hereunder in Guarantor Common Stock. Each of Sellers is not (a) a U.S. citizen or (b) a natural person resident in the U.S.
- 12.1.23.5. Each of Sellers understands that the acquisition of Guarantor Common Stock hereunder involves a high degree of risk.

- 12.1.23.6. Each of Sellers, upon advice of its advisors, understands that the Guarantor Common Stock it is acquiring hereunder is characterized as “restricted securities” under the U.S. federal securities laws inasmuch as they are being acquired from Guarantor in a transaction not involving a public offering and that under such laws and applicable regulations such securities may not be resold without registration or an applicable exemption under the Securities Act and applicable state securities laws, except in certain limited circumstances.
- 12.1.23.7. Each of Sellers understands that, with respect to the Guarantor Common Stock such Seller is acquiring hereunder, subject to the provisions of this Agreement, (a) Guarantor may issue stop transfer instructions to its transfer agent and (b) a restrictive legend may be placed on the notice of issuance of uncertificated shares or any certificates therefor in substantially the following form:
- “[The shares subject to this notice of issuance of uncertificated shares/This certificate and the shares represented hereby] have been acquired for investment and have not been registered under the U.S. Securities Act of 1933, as amended (herein “ **Securities Act** ”), or the securities laws of any U.S. state or other jurisdiction. Such shares may not be offered, sold, pledged or transferred in the absence of such registration or receipt of an opinion of counsel in form and substance satisfactory to Thor Industries, Inc. that such offer, sale, pledge or transfer does not require registration under the Securities Act and such other applicable laws.”
- 12.1.23.8. No Seller has engaged in any “Directed Selling Efforts in the U.S.” as defined in Regulation S of the Securities Act with respect to the Guarantor Common Stock to be acquired hereunder.

- 12.2. **Disclosure Schedules** . All Schedules referred to in Section 12.1 above are herein collectively referred to as the “ **Disclosure Schedules** ”. The Parties agree that if any disclosure of events or documents made in the Disclosure Schedules is below

any materiality threshold provided for such disclosure requirement or contains additional information, such disclosure shall not be used to construe or expand the scope of the required disclosure (including any standard of materiality) of such Sellers' Guarantee.

12.3. Bring-down of Disclosure Schedules .

- 12.3.1. No earlier than three (3) Business Days prior to the Scheduled Closing Date, Sellers shall review the statements contained in Section 12.1 above whether any new events, facts and/or circumstances have become known to them after the Signing Date that constitute an inaccuracy of these statements as of the date of such review, such review to include inquiries with the Sellers' Deal Team (as defined in Section 12.4 below), and prepare a disclosure letter accordingly. At the latest on the last Business Day before the Scheduled Closing Date, Sellers shall provide the disclosure letter to Purchaser, confirming the then current status regardless of whether it changed or not, such disclosure in no form whatsoever affecting Sellers' obligations or liability towards Purchaser under this Agreement, in particular not affecting Sellers' liability for any Sellers' Guarantees that are given as per the Signing Date.
- 12.3.2. If Sellers disclose to Purchaser any events, facts and/or circumstances which occurred between the Signing Date and the Closing Date and which would render any of the statements contained in Section 12.1 above incorrect had they been given as per the Closing Date,
 - 12.3.2.1. such disclosure shall not affect any of the Purchaser's obligations pursuant to this Agreement, in particular, without limitation, to close the transactions as contemplated under this Agreement;
 - 12.3.2.2. those events, facts and/or circumstances shall not be deemed a breach or non-fulfillment of the relevant Sellers' Guarantees that are given as of the Closing Date for which Seller(s) shall be liable to Purchaser and any limitations on Sellers' liability in this Agreement, in particular, without limitation, the limitations of liability set forth in Sections 14.3.5 and 20 below, shall apply; and

12.3.2.3. such disclosure shall not affect Sellers' liability for the Sellers' Guarantees that are given as per the Signing Date.

12.4. **Knowledge of Sellers** . For the purpose of this Agreement, “ **Knowledge of Sellers** ” means the actual knowledge (*positive Kenntnis*) of any of Seller 1, Seller 2 and Seller 3 and the individuals listed in **Exhibit 12.4-1** (herein “ **Sellers' Deal Team** ”) in relation to the Sellers' Guarantees after due inquiry, conducted within the two (2) Business Days prior to the Signing Date,

12.4.1. with respect to the Sellers' Guarantees contained in Sections 12.1.1 through 12.1.22 above, except for the Sellers' Guarantees contained in Sections 12.1.12.2 and 12.1.12.3 above (herein “ **Sellers' Key Employees Guarantees** ”), with the individuals listed in **Exhibit 12.4-2**;

12.4.2. with respect to the Sellers' Key Employees Guarantees, with the individual listed and marked with “HR” in **Exhibit 12.4-2**; and

12.4.3. with respect to the Sellers' Key Employees Guarantees, with the individuals listed and marked with “MD”, but in each case only with respect to the Key Employees which are employed by the Material Companies set out next to the relevant individual, in **Exhibit 12.4-2**;

excluding any facts or circumstances which are deemed to be known by Sellers or Sellers' Deal Team as a result of any actual or deemed knowledge of any other person or party being imputed (*zugerechnet*), whether by operation of law or otherwise.

12.5. **Material Adverse Effect** . For the purpose of this Agreement, “ **Material Adverse Effect** ” means any change or effect that is, and/or could reasonably be expected to be, (i) in the individual case or (ii) in any series of cases (x) relating to the same Sellers' Guarantee or Sellers' Covenant, as the case may be, and (y) arising from the same fact pattern or the same facts and circumstances, materially adverse to the assets, financial condition and/or results of operations (*Vermögens-, Finanz- und/oder Ertragslage*) of any of the Companies or the Companies taken as a whole, and results, and/or could reasonably be expected to result, in Relevant Losses (as defined in Section 14.1 below) of any of the Companies in excess of EUR 10,000,000 (in words: Euro ten million).

- 12.6. Sellers do not give or assume any guarantees other than those set forth in Section 12.1 above and none of Sellers' Guarantees shall be construed as a guarantee or representation with respect to the quality of the purchase object (*Kaufgegenstand*) within the meaning of Sections 276 (1), 443 German Civil Code (*BGB*) (*Garantie für die Beschaffenheit der Sache*).

13. Purchaser's and Guarantor's Guarantees

- 13.1. Purchaser and Guarantor hereby guarantee as joint and several debtors (*Gesamtschuldner*) by way of an independent guarantee pursuant to Section 311 (1) German Civil Code (*BGB*), that the statements set forth in Sections 13.1.1 through 13.1.9 below (herein collectively “ **Purchaser's Guarantees** ”) are true and correct on the Signing Date and on the Closing Date:
- 13.1.1. **Enforceability, Capacity** . Purchaser is a duly organized and validly existing, but not yet registered, limited partnership (*Kommanditgesellschaft*) under the laws of Germany. Guarantor is a corporation duly organized and validly existing under the laws of Delaware, USA, and registered with the Department of State, Division of Corporations of the State of Delaware under number 2013754. All partnership interests in Purchaser are indirectly held by Guarantor. This Agreement constitutes the legal, valid and binding obligation of Purchaser and Guarantor, enforceable against Purchaser and Guarantor in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally. Purchaser and Guarantor have the absolute and unrestricted right, power, authority and capacity to execute this Agreement and to perform their obligations under this Agreement, which actions have been duly authorized and approved by all necessary corporate actions of Purchaser and Guarantor. Except for the Clearances, Purchaser and Guarantor are not required to give any notice to any person or obtain any consent or governmental authorization or approval in connection with the execution and performance of this Agreement. Neither the execution of this Agreement nor the consummation of any of the transactions contemplated under this Agreement will directly or indirectly violate the certificate of incorporation, articles of association or by-laws of Purchaser or Guarantor.

- 13.1.2. **Bankruptcy, Insolvency or Judicial Composition Proceedings** . No bankruptcy, insolvency or judicial composition proceedings concerning Purchaser or Guarantor have been applied for (i) by the management of Purchaser or Guarantor, or (ii), to the knowledge of Purchaser and Guarantor, any third party, and, to the knowledge of Purchaser and Guarantor, no circumstances exist which would require the application for any bankruptcy, insolvency or judicial composition proceedings concerning Purchaser or Guarantor or justify any action of avoidance of this Agreement.
- 13.1.3. **Acquisition for Own Account** . Purchaser is acquiring the EHG Group as an investment for its own account. Purchaser and its Affiliates have no intention of selling, granting any participation in, or otherwise distributing the Business, and Purchaser has not entered into any contract, undertaking, agreement or arrangement with any person to sell, transfer, or grant participations to such person or to any third person, with respect to the Business or any part thereof, except in each case for any transfer or distribution to any Affiliates of Purchaser.
- 13.1.4. **Financial Capability** . Purchaser has, or at the Closing Date will have, sufficient immediately available funds to pay the Total Purchase Price, as well as any fees, costs and expenses incurred or to be made in connection with the transactions contemplated under this Agreement. Purchaser has delivered to the Sellers a complete and correct, as of the Signing Date, copy of a fully executed commitment letter (herein “ **Debt Commitment Letter** ”) from the financial institutions identified therein (herein collectively the “ **Lender** ”), pursuant to which the Lender has committed to provide, upon the terms and subject to the conditions set forth therein, debt financing in the amount set forth therein, such debt financing, any alternative financing or any notes or term loans issued in lieu thereof, in each case, obtained in accordance with this Agreement, herein also referred to as “ **Debt Financing** ”.
- 13.1.5. **Issuance Valid** . Subject to the truth and correctness of the Sellers’ Guarantees contained in Section 12.1.23 above, at the time of the issuance of Guarantor Common Stock pursuant to this Agreement, such issuance will be exempt from the registration requirements of the Securities Act, will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable United States state securities laws and will have been issued in compliance with all applicable rules and regulations of the New York Stock Exchange (or

such other securities exchange or quoting service that makes the primary market in shares of Guarantor Common Stock if it is not then listed on the New York Stock Exchange). At the time of the issuance of Guarantor Common Stock pursuant to this Agreement, the Stock Consideration shall be duly authorized, validly issued, fully paid and non-assessable and free and clear of all liens. Upon the effectiveness of a Registration Statement (as defined in Section 28.1 below), any Registrable Shares (as defined in Section 28.1 below) registered therein shall be freely tradable under the Securities Act by Sellers holding such Registrable Shares without restriction under the Securities Act subject to compliance by such Seller with all applicable securities laws.

- 13.1.6. **WKSI Status** . Guarantor is a WKSI (as defined in Section 28.4 below) and eligible to file an automatic shelf registration statement on United States Securities and Exchange Commission Form S-3 (herein “ **Form S-3** ”).
- 13.1.7. **No Violation of Laws** . Subject to the occurrence or the due waiver of the Clearances, the execution and performance by Purchaser and Guarantor of their obligations under this Agreement as well as all other agreements, instruments and documents to be executed or delivered under or in connection with this Agreement, do not and will not violate, conflict or result in any contravention of any applicable law or any regulation or judgment of any governmental authority applicable to Purchaser or Guarantor from time to time.
- 13.1.8. **Finders’ Fees** . Purchaser and Guarantor do not have any obligation or liability to pay any fees or commissions to any broker, finder, agent (*Erfüllungsgehilfe*) or other third party with respect to the transactions contemplated under this Agreement for which Sellers could become wholly or partly liable.
- 13.1.9. **W&I Insurance** . Any W&I Insurance (as defined in Section 20.4 below) taken out prior to the Closing Date provides for the benefit of Sellers that any claims against a Seller shall only be subrogated (by operation of law or contractually) in case of willful deceit (*arglistige Täuschung*) or intentional behavior (*Vorsatz*) by Sellers or Sellers’ Deal Team.

- 13.2. In case of any breach or non-fulfillment by Purchaser or Guarantor of any of Purchaser's Guarantees, Purchaser or, at the election of Sellers, Guarantor shall be liable for putting Sellers into the same position that they would have been in if the respective Purchaser's Guarantee had been correct (*Naturalrestitution*) or, at the election of Sellers, for paying damages for non-performance (*kleiner Schadenersatz*) to Sellers.

14. Remedies

- 14.1. In the event of any breach or non-fulfillment of any of (i) Sellers' Guarantees or (ii) any of Sellers' Covenants (as defined in Section 16.7 below) ((i) and (ii) herein each “ **Purchaser Claim** ”) or (iii) any other claim of Purchaser for a breach, for which Sellers are at fault (*schuldhaftes Pflichtverletzung*), unless explicitly provided otherwise in this Agreement, Sellers shall be liable for putting Purchaser or, at Purchaser's election, any of the Companies into the same position that they would have been in if the respective Sellers' Guarantee had been correct or the respective Sellers' Covenant or other obligation of Sellers had not been breached (*Naturalrestitution*) (herein “ **Restitution in Kind** ”). At Sellers' joint election or if and to the extent Restitution in Kind is not possible or not implemented within thirty (30) Business Days following a respective request of Purchaser, Sellers shall be liable for paying monetary damages for non-performance (*kleiner Schadenersatz in Geld*) to Purchaser or, at Purchaser's election, any of the Companies, whereby with such monetary damages, Sellers shall put, at Purchaser's election, Purchaser or any of the Companies financially in the same position that they would have been in if the respective Sellers' Guarantee had been correct or the respective Sellers' Covenant or other obligation of Sellers had not been breached, provided, however, that (a) for purposes of determining Sellers' liability in respect to a Purchaser Claim for a breach of the Sellers' Guarantees (other than the Fundamental Guarantees (as defined in Section 20.1.2 below) contained in Sections 12.1.1 through 12.1.2 above), only the Relevant Losses (as defined below) incurred by the respective Company and, in case of a breach of the Fundamental Guarantees contained in Sections 12.1.1 through 12.1.2 above, incurred by Purchaser, shall be taken into account and (b) Sellers shall in no event be liable for any Tax gross-up resulting from any payments to be made to any of the Companies. “ **Relevant Losses** ” shall mean actual losses calculated on a Euro-for-Euro basis and reasonably foreseeable indirect and/or consequential damages including reasonably foreseeable lost profits and shall exclude (i) any potential or actual reduction in value (*Minderung*) of the Companies beyond the actual damage incurred, (ii) any frustrated expenses (*frustrierte Aufwendungen*) and (iii) any

incidental or internal costs and expenses incurred by the Companies or by Purchaser. The limitations under this Section 14.1 regarding the determination of Sellers' liability shall not apply in case of a Purchaser Claim or any other claim of Purchaser against a Seller arising out of willful deceit (*arglistige Täuschung*) or intentional behavior (*Vorsatz*) by Sellers, provided, however, that Sellers' liability for willful deceit or intentional behavior of any of their vicarious agents (*Erfüllungsgehilfen*), except for Sellers' Deal Team, shall remain excluded.

- 14.2. In the event of any alleged Purchaser Claim, Purchaser shall give Sellers written notice of the alleged breach or non-fulfillment within twenty (20) days after discovery by Purchaser or any of the Companies of such breach or non-fulfillment, with such notice stating the nature thereof and the amount involved (to the extent that such amount has been determined at the time when such notice is given). Without prejudice to the validity of the (alleged) Purchaser Claim in question, Purchaser shall allow, and shall cause the Companies to allow, Sellers and their accountants and professional advisors to investigate the matter or circumstances alleged to give rise to such Purchaser Claim and whether and to what extent any amount is payable in respect of such (alleged) Purchaser Claim. For such purpose, Purchaser shall, and shall cause the Companies to, provide information and assistance as Sellers or their accountants or professional advisors may reasonably request, including (i) access to Purchaser's and the Companies' premises and personnel and (ii) the right to examine and copy or photograph any assets, accounts, documents and records, each during normal business hours. Sellers agree that all information obtained under this Section 14.2 shall be treated as Confidential Information (as defined in Section 27.2 below). This Section 14.2 shall also apply in case of court or arbitration proceedings pending between the Parties in connection with, or in relation to, any of the transactions contemplated under this Agreement.
- 14.3. Sellers shall not be liable for, and Purchaser shall not be entitled to bring, any Purchaser Claim, if and to the extent that:
- 14.3.1. the matter to which such Purchaser Claim relates has been taken into account in the Interim Combined Financial Statements by way of a specific or compounded provision (*Einzel- oder Pauschalrückstellung*), liability (*Verbindlichkeit*), exceptional depreciation (*außerplanmäßige Abschreibung*) or depreciation to reflect lower market values (*Abschreibung auf den niedrigeren beizulegenden Wert*), in each case reasonably associated with the matter in question, or is reflected in the Equity Value Bridge;

- 14.3.2. the amount of such Purchaser Claim is recovered or could reasonably be recovered by Purchaser, any Affiliate of Purchaser or any of the Companies from a third party, in particular under any insurance policy, excluding, however, the W&I Insurance;
- 14.3.3. the matter to which such Purchaser Claim relates or the payment or settlement of any item giving rise to a Purchaser Claim results in any benefits, advantages or savings, including by refund, set-off or reduction of Taxes and benefits resulting from the lengthening of any amortization or depreciation periods, higher depreciation allowances, a step-up in the Tax basis of assets or the non-recognition of liabilities or provisions (*Phasenverschiebung*), in each case to the Companies, Purchaser and/or any Affiliate of Purchaser, provided that future benefits or savings shall be valued with their net present value calculated with the discount rate of 6% (in words: six percent) per annum;
- 14.3.4. Purchaser, any Affiliate of Purchaser and/or (after the Closing Date) any of the Companies has contributed to (*mitverursacht*) such Purchaser Claim within the meaning of Section 254 (1) German Civil Code (*BGB*) and/or has failed to comply with its duty to mitigate damages (*Schadensminderungspflicht*) pursuant to Section 254 (2) German Civil Code (*BGB*);
- 14.3.5. the matter to which such Purchaser Claim relates was known by Purchaser; Purchaser shall be deemed to have knowledge of all matters disclosed in any of the following:
- 14.3.5.1. any information disclosed to Purchaser, its representatives and/or professional advisors by or on behalf of Sellers in writing or in text form (*Textform im Sinne von § 126b BGB*) in connection with the transactions contemplated under this Agreement, including:
- (i) any presentation materials delivered and information provided to Purchaser, its representatives and/or professional advisors at management presentations, expert meetings and other meetings with Sellers and/or representatives of Sellers or the EHG Group, including in particular, the presentation materials

delivered in the coffee meeting dated 24 April 2018, in the management meetings dated 30 July 2018 and 31 July 2018, in the legal expert session dated 27 July 2018, in the financial expert meeting dated 24 July 2018, in the operational expert meeting dated 27 July 2018 and in the meeting regarding outstanding due diligence items dated 19 August 2018;

- (ii) (a) the Financial Fact Book (Vol. 1: Consolidated Group) and the related Transactions Foundations Databook prepared by EY dated 10 April 2018, (b) the Financial Fact Book (Vol. 2: Main Legal Entities) and the related Transactions Foundations Databook prepared by EY dated 10 April 2018, (c) the Financial Fact Book Addendum – Current Trading Update and the related Transactions Foundations Databook prepared by EY dated 22 May 2018 and (d) the Explanatory Note to Page 97, Item No. 2 of the Financial Fact Book (Vol. 1: Consolidated Group) prepared by EY dated 10 April 2018;
- (iii) the Tax Fact Book prepared by EY dated 30 May 2018;
- (iv) the Commercial Report prepared by L.E.K. Consulting GmbH dated 23 March 2018;
- (v) (a) the Environmental and Social Governance Summary Report prepared by ERM GmbH dated May 2018 and (b) the Environmental and Key Health & Safety Assessment Reports prepared by ERM GmbH dated May 2018;
- (vi) the Fact Sheets prepared by Hengeler Mueller Partnerschaft von Rechtsanwälten mbB with cut-off date 2 June 2018; and

- (vii) any answers in writing or in text form (*Textform*) given by Sellers or its representatives and/or professional advisors in connection with the question and answer process until and including 17 September 2018;

14.3.5.2. any information Fairly Disclosed in the documents contained in the virtual data room operated by Merrill Corporation and accessible to Purchaser, its representatives and/or all or certain of its professional advisors until 18 September 2018 at 10:00 hours (herein “ **Data Room** ”), an electronic copy of which shall be preserved by the notary public Dr. Eva-Maria Hepp with offices in Munich, Germany, for purposes of providing evidence for the period beginning on the Signing Date and ending on the seventh (7th) anniversary of the Closing Date in accordance with the joint instruction letter executed by Sellers, Purchaser and the aforementioned notary on the Signing Date, a copy of which is attached hereto as **Exhibit 14.3.5.2-1**, as well as any information disclosed in the physical data room which was made accessible to certain of Purchaser’s professional advisers on 27 July 2018, 31 July 2018, 23 August 2018, 24 August 2018, 27 August 2018, 29 August 2018, 31 August 2018, 13 September 2018 and on 17 September 2018 and an index of which is attached hereto as **Exhibit 14.3.5.2-2**; and

14.3.5.3. in any of the Disclosure Schedules, the Exhibits or elsewhere in this Agreement;

“ **Fairly Disclosed** ” shall mean that the facts and circumstances required to assess the nature and size of the relevant claim were disclosed in the applicable Data Room section and are not misleading and could be inferred by a reviewer of a reputable law, patent law or accounting firm or by Purchaser from the relevant document upon its review.

14.3.6. the Purchaser Claim results from, or is increased as a result of, the passing of, or any change in, any law, statute, ordinance, rule, regulation, common law rule or administrative practice of any governmental authority after the Closing Date; or

- 14.3.7. the Purchaser Claim results from, or is increased as a result of, the procedures set forth in Section 14.2 above or Section 14.4 below not having been observed by Purchaser or, after the Closing Date, by Purchaser or the Companies.
- 14.4. In the event that (i) an order of any governmental authority is issued, announced to be issued, threatened in writing or in text form to be issued or imminent (*unmittelbar bevorstehend*) against Purchaser or any of the Companies or (ii) Purchaser or any of the Companies are sued, threatened to be sued or imminent (*unmittelbar bevorstehend*) to be sued by a third party, including any governmental entity or authority, in each case in a manner which may give rise to a Purchaser Claim (herein “ **Third Party Claim** ”), Purchaser shall give Sellers notice of such Third Party Claim without undue delay (*unverz ü glich*) but in any case no later than within ten (10) Business Days after Purchaser or any of the Material Companies have received the relevant written notice of such Third Party Claim, and the following principles shall apply:
- 14.4.1. Purchaser shall procure (*steht dafür ein*) that Sellers are provided with all materials, information and assistance relevant in relation to the Third Party Claim, and are given reasonable opportunity to comment or discuss with Purchaser any measures which Sellers propose to take or to omit in connection with such Third Party Claim. In particular, Sellers shall be given an opportunity to comment on, participate in, and review any reports, audits or other measures and shall receive copies of all relevant orders (*Bescheide*) of any governmental authority without undue delay (*unverz ü glich*) and, if possible, at least ten (10) Business Days prior to the expiry of any relevant objection period (*Einspruchs-oder Widerspruchsfrist*).
- 14.4.2. No admission of liability shall be made by or on behalf of Purchaser or the Companies, and the Third Party Claim shall not be compromised, disposed of or settled, without the prior written consent of Sellers, such consent not to be unreasonably delayed or withheld.
- 14.4.3. Sellers shall further be entitled, at their own discretion, to take such action (or cause Purchaser or the Companies to take such action) as Sellers deem reasonably necessary to avoid, dispute, deny, defend, appeal, resist, compromise or contest such Third Party Claim (including making counter-claims or other claims against third parties) in the name and on behalf of Purchaser or the Companies concerned, provided that

Sellers irrevocably confirm in writing that (i) Sellers accept to be bound in relation to the Purchaser by the facts and circumstances underlying the Third Party Claim as assessed by the competent court as well as by the outcome of the Third Party Claim, and (ii) for a period which commences on the date on which Purchaser notifies the Sellers of a Third Party Claim in accordance with this Agreement and which ends six (6) months after the Third Party Claim has been adjudicated with binding effect (*rechtskräftiges Urteil*) or otherwise settled with binding effect (*rechtskräftiger Vergleich*) in accordance with this Agreement, any statute of limitation of a Purchaser Claims that the Purchaser may have in relation to such Third Party Claim shall be interrupted (*gehemmt*), and further provided that (a) Sellers may not take any action if such action shall cause a detrimental effect on the Companies' business or Purchaser's reasonable business interests and (b) the Third Party Claim shall not be compromised, disposed or settled without the prior written consent of Purchaser, such consent not to be unreasonably delayed or withheld. Purchaser shall give, and shall procure (*steht dafür ein*) that the Companies give, subject to them being reimbursed all reasonable and evidenced costs and out of pocket expenses, all such information and assistance as described above, including reasonable access to premises and personnel during normal business hours and without causing substantial disruption of the business operations and the right to examine and copy or photograph any assets, accounts, documents and records for the purpose of avoiding, disputing, denying, defending, resisting, appealing, compromising or contesting any Third Party Claim or liability as Sellers or their professional advisors may reasonably request.

- 14.4.4. Sellers agree that all information obtained under this Section 14.4 shall be treated as Confidential Information.
- 14.4.5. To the extent that Sellers are in breach of a Sellers' Guarantee or a Sellers' Covenant or are in breach for which Sellers are at fault (*schuldhaftes Pflichtverletzung*) of any obligations under this Agreement, all costs and expenses reasonably incurred and evidenced by Purchaser or the Companies in connection with the defense of an alleged Third Party Claim shall be borne by Sellers; if it turns out that Sellers were not in breach, any costs and out-of-pocket expenses reasonably incurred and evidenced by Sellers in connection with such defense shall be borne by Purchaser.

- 14.5. Any payment made under this Section 14 shall be deemed and treated as an adjustment to the Total Purchase Price. In no event shall Sellers owe to Purchaser any gross-up for Taxes falling due in connection with any compensation for Relevant Losses received from Sellers.
- 14.6. If and to the extent a Purchaser Claim relates to Relevant Losses incurred by a Company, the amount of Relevant Losses to be paid by Sellers to Purchaser shall be the total amount of Relevant Losses incurred by the respective Company multiplied by Sellers' direct or indirect shareholding percentage in the equity of such Company on the Closing Date.
- 14.7. In case of any non-fulfillment or breach by Purchaser and/or the Companies of any of the obligations set forth in Section 14.2 and Section 14.4 above, Purchaser shall be liable for putting Sellers into the same position that they would have been in if the respective obligations had been duly fulfilled (*Naturalrestitution*) or, at the election of Sellers, for paying damages for non-performance (*kleiner Schadenersatz*) to Sellers.
- 14.8. If an alleged Purchaser Claim is an Insured Claim to which the Total W&I Liability Cap is applicable, Purchaser is released from its obligations under Sections 14.2 and 14.4 above and Purchaser may deal with a Third Party Claim as Purchaser deems appropriate, and Sellers shall not be entitled to exercise their rights under Section 14.4 above.

15. Tax Indemnity

- 15.1. Subject to the provisions of this Section 15, Sellers shall indemnify and hold harmless (*freistellen*) Purchaser and/or, at Purchaser's election, the Companies from and against:
- 15.1.1. any Taxes payable by or imposed on any Company and (i) relating to any periods or portions thereof ending on or before the Effective Date (herein “ **Pre-Effective Date Tax Period** ”), (ii) relating to the Corporate Reorganizations, and/or (iii) triggered by the violation of existing holding periods through the sale of the Target Shares or the Contribution ((i) through (iii) herein each a “ **General Tax Indemnification Claim** ”); and

15.1.2. any trade Tax (*Gewerbesteuer*) on capital gain payable by or imposed on EHG, or the Target Company as general legal successor (*Gesamtrechtsnachfolger*) of EHG, as the case may be, which arises as a consequence of the sale and/or transfer of the Target Shares under this Agreement or the Contribution (herein each a “ **Trade Tax Indemnification Claim** ” and, together with the General Tax Indemnification Claims, herein collectively “ **Tax Indemnification Claims** ”),

by paying an amount equal to such Taxes to Purchaser or, at Purchaser’s election, to the respective Company, if and to the extent that such Taxes have not been paid on or prior to the Effective Date or have not been reflected in the Equity Value Bridge or the Interim Combined Financial Statements.

- 15.2. Purchaser may raise a Tax Indemnification Claim only by delivering to Sellers’ Representative a written claim notice (herein “ **Tax Claim Notice** ”). In the Tax Claim Notice, Purchaser shall specify the amount of the Tax Indemnification Claim and describe the underlying facts and circumstances in reasonable detail. The Tax Claim Notice shall include a copy of the relevant Tax assessment, if any, and related documents to the extent necessary to properly assess and evaluate the Tax Indemnification Claim. Sellers’ payment obligation pursuant to Section 15.1 above shall become due and payable within ten (10) Business Days after Sellers have received the Tax Claim Notice, provided, however, that Sellers shall not be obliged to make any payment earlier than two (2) days prior to such Taxes becoming due and payable to the competent Tax Authority. In the case of any taxable period that includes, but does not end on, the Effective Date (herein “ **Straddle Period** ”), the amount of any Taxes according to Section 15.1.1 lit. (i) above based on or measured by income or receipts of the applicable Company for the Pre-Effective Date Tax Period shall be determined based on an interim closing of the books as of the close of business on the Effective Date and the amount of other Taxes of the applicable Company for a Straddle Period which relate to the Pre-Effective Date Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Effective Date and the denominator of which is the number of days in such Straddle Period.
- 15.3. Purchaser shall procure (*steht dafür ein*) that Sellers’ Representative is informed in a timely manner of all Tax assessments (*Steuerbescheide*) and announcements of Tax audits (*Betriebsprüfungen*) which may give rise to a claim of Purchaser under

Section 15.1 above. Purchaser shall procure (*steht dafür ein*) that Sellers' Representative is provided with all relevant documents and other information reasonably required by Sellers' Representative to evaluate the Tax assessments or Tax audits and the potential liability of Sellers in connection therewith. If and to the extent that Tax audits of the Companies relate to Taxes for which Sellers may be liable under Section 15.1 above, Sellers' Representative shall at its request be given the opportunity to instruct, at its own expense, counsel, accountants or auditors in relation to such Tax audits and to participate in meetings with Tax Authorities in relation to such Tax audits.

- 15.4. Purchaser shall take into account, and shall procure (*steht dafür ein*) that the Companies take into account, such action as Sellers' Representative may reasonably require by written notice to Purchaser to avoid, dispute, resist, appeal or otherwise defend against any claim for Taxes for which Sellers may be liable under Section 15.1 above. Purchaser shall procure (*steht dafür ein*) that Sellers' Representative will be provided with all relevant documents, other information and assistance reasonably required by Sellers' Representative for the defense, provided that, after taking into account the comments of Sellers' Representative, the final determination with respect to the matters set forth herein shall be made in the sole discretion of Purchaser. Purchaser shall keep Sellers' Representative informed to a reasonable extent of the status of the defense. Sellers' Representative shall be given the opportunity to participate in the defense at its own expense with its own counsel. No concession shall be made by Purchaser or the Companies, and no claim for Taxes shall be acknowledged or settled, without the prior written consent of Sellers' Representative, which consent shall not be unreasonably withheld, delayed or conditioned, thereby taking into account also the reasonable business interests of the Companies.
- 15.5. Purchaser shall not have a Tax Indemnification Claim under Section 15.1 above if and to the extent that:
- 15.5.1. Purchaser has failed to comply with its obligations (i) under Sections 15.3 and/or 15.4 above and/or (ii), with respect to a Trade Tax Indemnification Claim, with Purchaser's Tax Covenants (as defined in Section 22.9 below) and such failure has triggered, increased or failed to decrease the Taxes for which Purchaser seeks indemnification hereunder, provided, however, that in connection with a Trade Tax Indemnification Claim, there shall be a rebuttable presumption (*widerlegbare Vermutung*) that any non-compliance with the obligations under Sections 15.3 and 15.4 above and/or Purchaser's Tax Covenants below has triggered, increased or failed to decrease the relevant Taxes;

- 15.5.2. any of the Companies is, as the result of an adjustment or payment giving rise to the Taxes for which indemnification is sought, entitled to any benefits by refund, set-off or a reduction of Taxes (e.g. , in the case of a lengthening of amortization or depreciation periods or higher depreciation allowances, but excluding any benefits resulting from the step-up in the assets' tax basis as a consequence of the sale and/or transfer of the Target Shares under this Agreement or the Contribution); provided that future benefits shall be valued with their net present value calculated with the discount rate of 6% (in words: six percent) per annum;
- 15.5.3. the relevant Tax results from any change in the accounting or taxation principles or practices of the Companies (including methods of submitting Tax Returns) introduced after the Effective Date, unless required by law;
- 15.5.4. the relevant Tax results from or is increased by any transaction, action or omission (including but not limited to the change in the exercise of any Tax election right, the approval or implementation of any reorganization measure, the adjustment of any transfer pricing or the sale of any asset) carried out, effected or made by Purchaser, any Company or any of their respective Affiliates after Closing, unless such transaction, action or omission has been carried out (i) in order to implement the Corporate Reorganizations in accordance with this Agreement and the Corporate Reorganization Documents, or (ii) upon the written instructions of Sellers; or
- 15.5.5. the relevant Tax results from or is increased by the passing of or any change in any law coming into force after the Effective Date whether or not purporting to have retrospective effect.

Section 14.3.2 above shall further apply accordingly to any Tax Indemnification Claim under Section 15.1 above.

- 15.6. Any claims under this Section 15 shall be calculated on a *pro rata* -basis which reflects, as the case may be on a look through basis (*durchgerechnete Beteiligung*), the percentage of the direct or indirect ownership in the respective Company as it held and acquired by Purchaser as at the Closing Date.

- 15.7. Any Tax Indemnification Claims of Purchaser under Section 15.1 above shall be time-barred six (6) months after the final expiration of all relevant statutes of limitation periods (*Festsetzungsfristen*) for the relevant Tax, but the latest after the seventh (7th) anniversary of the Closing Date, provided that, in case Purchaser or the relevant Company challenges the claim underlying a Tax Indemnification Claim, in case of a Trade Tax Indemnification Claim, however, only if such challenge of the claim underlying the Trade Tax Indemnification Claim was requested by Sellers, (herein “ **Underlying Tax Claim** ”) before the Tax Authorities or the Tax courts, as the case may be, the respective Tax Indemnification Claim shall only expire six (6) months after the Underlying Tax Claim has been finally settled or adjudicated in court with binding effect (*rechtskräftig entschieden*).
- 15.8. The aggregate liability of Sellers for all claims of Purchaser pursuant to this Section 15, other than for any Trade Tax Indemnification Claim, shall not exceed the Total W&I Liability Cap. If a Tax Indemnification Claim for which Sellers may be liable under Section 15.1 above is covered by the W&I Insurance and is subject to the Total W&I Liability Cap, Purchaser is released from its obligations under Sections 15.3 and 15.4 above, respectively, with respect to such Taxes and Sellers shall not be entitled to exercise their rights under Sections 15.3 or 15.4.
- 15.9. Any payment made under this Section 15 shall be deemed and treated as an adjustment to the Total Purchase Price. Sellers shall not be liable for any Tax gross-up resulting from any payments made to any of the Companies pursuant to this Section 15.

16. Sellers’ Covenants

- 16.1. For the period between the Signing Date and the Closing Date, Sellers shall procure (*stehen dafür ein*) that the Companies continue to operate the Business in the ordinary course of business and in a manner substantially consistent with past practice, except as required in connection with the Corporate Reorganizations or otherwise set forth in the Corporate Reorganization Documents or where the individual failure to do so would not result in a Material Adverse Effect.

- 16.2. For the period between the Signing Date and the Closing Date, Sellers shall procure (*stehen dafür ein*) that the Target Company and the other Companies shall not, except (i) as disclosed in **Exhibit 16.2** or specifically referred to in this Agreement or the Corporate Reorganization Documents or (ii) as required by law or (iii) with the prior consent of Purchaser which shall not be unreasonably delayed or withheld and be deemed granted if and to the extent no objection from or on behalf of Purchaser is received in text form (*Textform*) by Sellers within three (3) Business Days following receipt by Purchaser of the request for consent:
- 16.2.1. adopt any domination, profit and loss transfer agreements or any other enterprise agreements (*Unternehmensverträge*) within the meaning of Sections 291 and 292 German Stock Corporation Act (*AktG*) or comparable profit sharing or pooling agreements or arrangements under the laws of other jurisdictions;
 - 16.2.2. file for or enter into any merger, split-off, conversion or any other restructuring under the German Transformation Act (*UmwG*) or comparable transactions or arrangements under the laws of other jurisdictions;
 - 16.2.3. amend the articles of association, by-laws or other constitutional documents;
 - 16.2.4. (i) issue or redeem (*einziehen*) any shares, equity securities or securities convertible into shares or equity securities or (ii) agree to issue or redeem, or grant any option in respect of or over, shares or equity securities or securities convertible into shares or equity securities, except for, in each case of (i) and (ii), issuances to, or redemptions by, a Company;
 - 16.2.5. enter into dissolution or winding-up proceedings in relation to a Company;
 - 16.2.6. enter into any acquisition or divestiture of a shareholding, business or real estate for a consideration or with a book value exceeding an amount of EUR 2,000,000 (in words: Euro two million) in the individual case;
 - 16.2.7. make any material capital expenditure exceeding an amount of EUR 2,000,000 (in words: Euro two million) in the individual case, except pursuant to agreements or commitments existing on the Signing Date;

- 16.2.8. enter into any sale, lease, assignment, transfer, license or other form of disposal of any Material Fixed Asset, except in the ordinary course of business consistent with past practice;
- 16.2.9. permit any of its Material Fixed Assets to be subjected to any mortgage, pledge, encumbrance or charge of any kind, except for those arising by operation of law or in the ordinary course of business consistent with past practice;
- 16.2.10. enter into any collective agreements with unions, works councils or other employee representative bodies other than industry wide collective bargaining agreements (*Flächentarifverträge*) or in the ordinary course of business consistent with past practice;
- 16.2.11. grant any increase in wages, salaries, bonuses or other remuneration of any directors or employees other than increases which (i) are provided for by collective bargaining agreements (*Tarifverträge*) or references to such bargaining agreements in the individual employment contracts or (ii) are granted in the ordinary course of business consistent with past practice;
- 16.2.12. incur any incremental (*zusätzliche*) financial liability for borrowed money exceeding an amount of EUR 5,000,000 (in words: Euro five million) in the aggregate or issue any guarantee exceeding such amount in the aggregate, in each case excluding liabilities for borrowed money, guarantees, bonds or letters of credit incurred or issued (i) towards any Company, (ii) under the External Debt Financing Agreements or (iii) in the ordinary course of business and in amounts and on terms consistent with past practice;
- 16.2.13. cancel or waive any claims or rights each with an individual market value exceeding an amount of EUR 1,000,000 (in words: Euro one million);
- 16.2.14. enter into any agreement containing a change of control clause or a clause with a similar effect, or amended an existing agreement to contain such clause which would be triggered by the transfer of the Target Shares contemplated under this Agreement;

- 16.2.15. effect any material change to any method of accounting or accounting practice or policy currently applied by the Material Companies; or
- 16.2.16. agree, whether or not in writing, to do any of the foregoing.
- 16.3. For the period between the Signing Date and the Closing Date, Sellers shall use reasonable efforts to ensure (*um sicherzustellen*) that the Target Company shall, (i) commence preparation of, promptly following the execution of this Agreement, financial statements of the Target Company that meet the requirements of Item 9.01(a) of the United States Securities and Exchange Commission Form 8-K (herein “ **Form 8 -K** ”) and (ii) provide a manually signed report of EY or another member firm of the Ernst & Young network meeting the requirements of Section 2-02 of Regulation S-X and a manually signed consent of EY or another member firm of the Ernst & Young network to the inclusion in the Form 8-K to be filed by Purchaser with the SEC of all financial statements referred to in lit. (i) above and the report thereon referred to in lit. (ii), it being, however, understood that nothing in this Section 16.3 shall render Sellers liable for the contents and/or correctness of the Form 8-K.
- 16.4. For the period between the Signing Date and the Closing Date, Sellers shall, and shall use reasonable efforts to ensure (*um sicherzustellen*) that the Target Company shall, cooperate with, and provide all information and documents reasonably requested by, Purchaser regarding the Companies in order to assist Purchaser in the preparation of the pro forma financial information required by Item 9.01(b) of Form 8-K, it being, however, understood that nothing in this Section 16.4 shall render Sellers liable for the contents and/or correctness of the pro forma financial information so prepared.
- 16.5. Until the Closing, Sellers shall use reasonable efforts to ensure (*um sicherzustellen*) that the Target Company will deliver to Purchaser unaudited consolidated financial statements of the Target Company as at and for the monthly period ending on the last day of the preceding month (herein “ **Subsequent Monthly Financial Statements** ”) on or before the tenth (10th) day of each month or, as regards the Subsequent Monthly Financial Statements for August 2018, on or before 26 September 2018 or, as regards the Subsequent Monthly Financial Statements for September 2018, on or before 31 October 2018, it being agreed that the Subsequent Monthly Financial Statements will be prepared on a consistent basis with the Interim Combined Financial Statements, and the Target Company will also deliver other key performance indicators regularly reported to management, it being, however, understood that nothing in this Section 16.4 shall render Sellers liable for the contents and/or correctness of the Subsequent Monthly Financial Statements and other information so delivered.

- 16.6. For the period between the Signing Date and the Closing Date, Sellers shall, and shall use reasonable efforts to ensure (*um sicherzustellen*) that the Target Company and the other Companies shall, (i) upon reasonable advance notice from Purchaser, allow Purchaser and each of its directors, officers, employees, agents, accountants, consultants and other advisors and representatives reasonable access during normal business hours to, and furnish them with, all documents, records, work papers and information (including financial information) with respect to, all of the properties, assets, personnel, books, contracts, agreements, consent or governmental authorization or approval, reports and records relating to the Target Company and any Material Company as Purchaser may reasonably request and (ii) cooperate with Purchaser to, and use their reasonable efforts to, assess and evaluate necessary changes to the internal control procedures of the Companies to remedy any matters that could reasonably be expected to cause the internal control procedures of the Companies to be ineffective in any material respect as reasonably requested by Purchaser, in each case under clauses (i) and (ii), only to the extent that such access, disclosure or cooperation would not violate any applicable law.
- 16.7. For the period between the Signing Date and the Closing Date, Sellers shall, and shall use reasonable efforts to ensure (*um sicherzustellen*) that, to the extent the same would not violate any applicable law, the Target Company and the other Companies shall coordinate with Purchaser to establish commercially reasonable procedures and methodologies to conduct inventory counts for the Business. It is contemplated that the initial inventory count will be conducted on or around the Closing Date.
- 16.8. Sellers shall reasonably cooperate with Purchaser with a view to, and use reasonable best efforts to assist Purchaser with, causing the W&I Insurance (as defined in Section 20.4 below) to be issued to Purchaser and effective as of the Closing Date, it being agreed that Sellers shall have no responsibility of whatsoever form regarding Purchaser's ability to obtain the W&I Insurance.
- 16.9. Each of Sellers agrees to furnish any additional information reasonably requested in writing by Purchaser or any of its Affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the acquisition of Guarantor Common Stock hereunder.

- 16.10. Each of Sellers agrees that in no event will it make any transfer or disposition of any of the shares of Guarantor Common Stock received pursuant to this Agreement other than in accordance with applicable law, in particular the Securities Act.
- 16.11. To the extent any event, occurrence, change, development, state of facts, circumstances or condition occurs, after the Signing Date and before the Closing Date, that results in any of the Sellers' Guarantees contained in Section 12.1.23 above to be no longer true in all material respects, the Seller to which such event, occurrence, change, development, state of facts, circumstances or condition relates shall notify Purchaser in writing of such event, occurrence, change, development, state of facts, circumstances or condition no later than (i) five (5) Business Days prior to the Scheduled Closing Date or (ii), if such event, occurrence, change, development, state of facts, circumstances or condition occurs within five (5) Business Days of the Scheduled Closing Date, the day immediately prior to the Scheduled Closing Date.
- 16.12. The covenants of Sellers contained in this Section 16 and Sellers' Tax Covenants (as defined in Section 18.2 below) are herein collectively referred to as “**Sellers' Covenants**”.

17. No Leakage

- 17.1. During the period from (but excluding) the Effective Date until (and including) the end of the Closing, there has been no Leakage Transaction (as defined below). “**Leakage Transaction**” shall mean any of the following actions or transactions carried out for the benefit of a (i) Seller, (ii) a related person (*Angeh ö riger*) of a Seller within the meaning of Section 15 German Tax Code (*AO*), (iii) a non-marital partner (*Partner einer nichtehelichen Lebensgemeinschaft*) of a Seller or (iv) a Sellers' Affiliate ((i) through (iv) herein each a “**Sellers' Related Person**”):
- 17.1.1. any (i) payment or declaration of any interim or other dividend or similar distribution (whether in cash or in kind) or (ii) payment of any remittance (*Entnahme*) or (iii) repayment of capital in breach of capital maintenance rules (*verbotene Einlagenrückgewähr*) paid or made by any Company, or (iv) any payment or asset transfer made without legal cause (*ohne Rechtsgrund*) or any payment or asset transfer which qualifies as constructive dividend (*verdeckte Gewinnausschüttung*);

- 17.1.2. any return of share capital (whether by reduction of share capital or redemption or purchase of shares, or otherwise) by any Company;
- 17.1.3. any disbursement (*Auszahlung*) under any upstream loan exceeding the Actual Aggregate Upstream Loan Amount;
- 17.1.4. any payment, or commitment to pay, or assumption, by a Company of, or any granting of guarantees or securities by a Company for, any liabilities owed by a Sellers' Related Person;
- 17.1.5. any waiver by a Company of a claim previously recognized in the books and records of such Company against a Sellers' Related Person, in each case granted or promised in connection with the execution of this Agreement and the consummation of the transactions contemplated under this Agreement;
- 17.1.6. any payment by a Company of any bonus, extra compensation, fees or commissions, and any gifts or donations made by a Company, to any of its managing directors, similar executives, members of a corporate body, employees, brokers, finders, agents or adviser to the extent granted in connection with the execution of this Agreement and the consummation of the transactions contemplated under this Agreement;
- 17.1.7. any payment by any Company of charges or fees for external advisory or other professional services to the extent rendered in connection with the execution of this Agreement and the consummation of the transactions contemplated under this Agreement;
- 17.1.8. the conclusion of any agreement between a Company and a Sellers' Related Person, to the extent it is not at arm's length;
- 17.1.9. any assets encumbered, or liabilities assumed, indemnified or otherwise incurred, in each case by a Company unless in each case against fair consideration; and
- 17.1.10. any agreement to do any of the foregoing;

in each case unless and to the extent fully compensated by Sellers' Related Persons prior to the Closing Date and in each case except for any Leakage Transaction (i) contained in the Equity Value Bridge or the Interim Combined Financial

Statements, it being understood that the Interim Combined Financial Statements do not show and permit the pay-out of any dividends or withdrawals (*Entnahmen*), (ii) disclosed in **Exhibit 17.1**, (iii) required or permitted by the terms of this Agreement (including any disbursements (*Auszahlungen*) under the Upstream Loans up to the Actual Aggregate Upstream Loan Amount), (iv) reimbursable against Sellers under a certain agreement on the allocation of advisory costs (*Vertrag über die Verteilung von Beratungskosten*) entered into amongst Sellers, the Target Company and EHG dated 9 August 2018 or (v) approved in advance by Purchaser in writing, ((i) through (v) collectively “ **Permitted Leakage** ”). The Parties agree that costs or expenses incurred, or to be incurred, in connection with the Corporate Reorganizations, such as fees for the respective tax and valuation advice or the preparation of the Corporate Reorganization Documents or respective notarial fees or other costs and expenses in this context, shall not constitute a Leakage Transaction, including in cases where such costs or expenses may be qualified as a constructive dividend (*verdeckte Gewinnausschüttung*), except for expenses for external advisory or notarial services incurred, or to be incurred until the Closing Date, in connection with the Corporate Reorganizations in excess of EUR 2,500,000 (in words: Euro two million five hundred thousand), which shall constitute a Leakage Transaction.

- 17.2. In the event a statement contained in Section 17.1 is not correct, the Seller for whose Sellers’ Related Person’s benefit the action or transaction was carried out (herein “ **Beneficiary of Leakage** ”) shall pay to the Purchaser and/or, at Purchaser’s election, to the respective Company an amount equal to the amount of any payment or the fair market value of benefit made, received or granted under the respective Leakage Transaction (herein “ **Leakage Value** ”), in each case plus Taxes at the level of the Companies attributable to such Leakage Value (herein “ **Leakage Indemnification** ”). The relevant Beneficiary of Leakage shall waive and shall procure the waiver of any claims against a Company that is outstanding after the Closing Date under a Leakage Transaction and shall indemnify and hold harmless the Companies from any such claims of their Affiliates.
- 17.3. Sections 14.2, 14.3.3, 14.3.4, 14.3.7, 14.5 and, in the case that Purchaser elects to have the Leakage Value paid to Purchaser for a Company not being wholly owned by Sellers immediately prior to Closing, Section 14.6 above shall apply *mutatis mutandis* .

18. Contributions Undertakings and Covenants

- 18.1. The contribution and transfer of all limited partnership interests (*Kommanditbeteiligungen*) in Grundstücksgesellschaft Sassenberg GmbH & Co. KG, a limited liability partnership (*Kommanditgesellschaft*) under the laws of Germany, having its registered office (*Sitz*) in Bad Waldsee, Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm under HRA 600341, to the Target Company pursuant to a certain contribution agreement dated 26 April 2017 between Sellers and the Target Company (herein “ **Sassenberg Contribution** ”) initiated a holding period pursuant to Section 22 (1) German Transformation Tax Act (*UmwStG*). The Contribution shall, subject to the occurrence of Closing, not be effected at book values, but will instead be effected at fair market values (*Gemeiner Wert*) for Tax purposes (*i.e.* , is not and will not be neutral for Tax purposes), except to the extent required otherwise by mandatory law. The holding period initiated by the Sassenberg Contribution will be breached by the sale and transfer of the Target Shares contemplated under this Agreement. The Parties assume that, as a consequence of the breach of the holding period and as a consequence of the Contribution, certain Tax benefits and Tax liabilities will arise at the level of the Companies. The Parties have taken into account such Tax benefits and Tax liabilities in the calculation of the Base Purchase Price, and the Parties agree that such Tax benefits and Tax liabilities are finally settled between the Parties and that there shall be no subsequent adjustment of the Base Purchase Price, and no Party shall have any claim against the other Party, in case that the actual Tax benefits and/or Tax liabilities turn out to be higher or lower than assumed in the calculation of the Base Purchase Price or even turn out to be non-existing. In particular, Sellers do neither guarantee the availability of a certain step-up volume within the meaning of Section 23 (2) German Transformation Tax Act (*UmwStG*) and/or of a certain step-up volume resulting from the Contribution nor the actual realization of any Tax savings associated therewith at the level of the Companies or Purchaser.
- 18.2. With respect to the expected Tax benefits of the relevant Companies as a result of a step-up pursuant to Section 23 (2) German Transformation Tax Act (*UmwStG*) in connection with the Sassenberg Contribution, Sellers shall:
- 18.2.1. as soon as reasonably possible after the Closing Date notify their competent Tax offices of the need for the reassessments of income Tax for the year 2016 pursuant to Section 22 (1) German Transformation Tax Act (*UmwStG*);

- 18.2.2. declare in such notification in respect of income tax for the year 2016 a respective contribution gain I (*Einbringungsgewinn I*) within the meaning of Section 22 (1) (3) German Transformation Tax Act (*UmwStG*) in the amount of EUR 6,245,000 (in words: Euro six million two hundred forty-five thousand) (before reduction by 1/7 (in words: one seventh) per year which has lapsed since 31 August 2016) which is calculated in accordance with **Exhibit 22.1.2**, unless required otherwise by mandatory law;
- 18.2.3. settle (*entrichten*) any income Tax assessed against Sellers on the contribution gain I when due (*fällig*) and payable (*zahlbar*); and
- 18.2.4. keep Purchaser duly informed of the steps pursuant to Sections 18.2.1 through 18.2.3 above;
- (herein collectively “ **Sellers’ Tax Covenants** ”).
- 18.3. Purchaser shall procure (*steht dafür ein*) that the application for the tax certificates within the meaning of Section 22 (5) German Transformation Tax Act (*UmwStG*) shall be made by each relevant Company.
- 18.4. In the event that any of the competent Tax offices assesses (i) in respect of the Sassenberg Contribution a contribution gain I which is higher than the contribution gain I as declared by Sellers pursuant to Section 18.2.2 above or (ii) in respect of the Contribution, a fair market value of the contributed assets or an allocation of the values of the contributed assets that deviates from the fair market value or the allocation that would have been determined if the principles set out in **Exhibit 22.1.2** had been fully applied, Sellers are free to take all legal actions which Sellers, in their absolute discretion, deem reasonable in order to challenge such assessment, including the filing of an appeal or a lawsuit, and Sellers are free to request Purchaser to take, or to procure (*dafür einstehen*) that the Companies shall take, all such actions, provided that such actions are in line with the principles set out in **Exhibit 22.1.2**.

19. Use of Family Name “Hymer”

Sellers shall, and shall procure (*stehen dafür ein*) that the Target Company shall, enter into a license agreement in relation to the use of the family name “Hymer” on or prior to the Scheduled Closing Date substantially in the form as attached hereto as **Exhibit 19** (herein “ **License Agreement** ”).

20. Expiration and Limitation of Claims

20.1. All Purchaser Claims and any other claims of Purchaser under this Agreement shall be time-barred (*verj ä hren*) two (2) years after the Closing Date. Exempted herefrom are:

- 20.1.1. all claims of Purchaser arising (i) from a breach of a Sellers' Guarantee contained in Sections 12.1.1 through 12.1.3 above (herein collectively “ **Fundamental Guarantees** ”) or (ii) in relation to the performance claims (*Erf ü llungsanspr ü che*) to transfer title to the Target Shares and to enter into the License Agreement which shall be time-barred (*verj ä hrt*) on the fifth (5th) anniversary of the Closing Date;
- 20.1.2. all Tax Indemnification Claims which shall be time-barred (*verj ä hrt*) in accordance with Section 15.7 above;
- 20.1.3. all claims of Purchaser under the Leakage Indemnification arising under Section 17.2 above which shall be time-barred (*verj ä hrt*) eighteen (18) months after the Closing Date; and
- 20.1.4. all claims of Purchaser against a Seller arising as a result of willful deceit (*arglistige T ä uschung*) or intentional behavior (*Vorsatz*) by Sellers or Sellers' Deal Team which shall be time-barred (*verj ä hren*) in accordance with the statutory provisions set forth in Sections 195, 199 German Civil Code (*BGB*);

(herein collectively “ **Time Limitations** ”).

All claims of Purchaser referred to under Sections 20.1.1, 20.1.3 and 20.1.4 above as well as all Trade Tax Indemnification Claims pursuant to Section 15.1.2 above are herein collectively referred to as “ **Exempted Claims** ”.

20.2. The expiry period for any claims of Purchaser under or in connection with this Agreement shall be suspended (*gehemmt*) pursuant to Section 209 German Civil Code (*BGB*) by any timely demand for fulfillment pursuant to Section 14.2 above, provided that Purchaser commences arbitral proceedings in accordance with

Section 36.2 below within three (3) months after the expiry of the relevant Time Limitation. Section 203 German Civil Code (*BGB*) shall apply, unless the relevant Parties agree in writing that the expiry period shall not be suspended (*gehemmt*) on the basis of pending settlement negotiations.

- 20.3. No liability shall attach to Sellers under or in connection with a Purchaser Claim if and to the extent the Relevant Losses in relation to an individual Purchaser Claim or several Purchaser Claims relating to the same Sellers' Guarantee and arising from the same or factually similar fact pattern or circumstances (*gleicher oder faktisch ähnlicher Lebenssachverhalt*) do not exceed EUR 2,000,000 (in words: Euro two million) (herein “ **De Minimis Claims** ”) and until the aggregate amount of the Relevant Losses in relation to all such Purchaser Claims (excluding De Minimis Claims and Exempted Claims) exceeds an aggregate amount of EUR 25,000,000 (in words: Euro twenty-five million) (*Freigrenze*) (herein “ **Threshold** ”). If the aggregate amount of the Relevant Losses in relation to all Purchaser Claims (excluding De Minimis Claims and Exempted Claims) exceeds the Threshold, Purchaser may claim the full Relevant Losses, subject to the other provisions of this Section 20. The limitations of this Section 20.3 shall not apply to any Exempted Claims.
- 20.4. The aggregate liability of Sellers for all claims for a breach of Sellers' Guarantees and for all Tax Indemnification Claims (herein collectively “ **Insured Claims** ”) shall, subject to Section 20.6 below, (i) with respect to all Sellers taken together not exceed EUR 1 (in words: Euro one) (herein “ **Total W&I Liability Cap** ”) and (ii) with respect to each Seller individually not exceed an amount equal to the Total W&I Liability Cap multiplied with the Pro Rata Liability Percentage (as defined in Section 25 below) of the respective Seller (herein “ **Individual W&I Liability Caps** ”, and, together with the Total W&I Liability Cap, herein collectively “ **W&I Liability Caps** ”). Purchaser expressly acknowledges and the Parties agree that any liability of Sellers for Insured Claims (other than for Exempted Claims) in excess of the W&I Liability Caps shall be excluded. Consequently, Purchaser's sole recourse with respect to Insured Claims (other than for Exempted Claims) in excess of the W&I Liability Caps shall be against the entity or entities, as the case may be, underwriting the Insured Claims (each herein “ **Insurer** ”). Purchaser expressly acknowledges and the Parties agree that the validity and collectability risks in respect of the insurance, if any, which has been or will be taken out by Purchaser in relation to the Insured Claims or any other claims of Purchaser under this Agreement (herein “ **W&I Insurance** ”) shall solely and irrevocably rest with Purchaser. Purchaser may pursue claims simultaneously against Sellers and any Insurer, provided that if and to the extent that any

Purchaser Claim for a breach of a Fundamental Guarantee can be recovered or could reasonably have been recovered under the W&I Insurance, Sellers shall only be liable for amounts which cannot and could reasonably not have been recovered under the W&I Insurance.

- 20.5. The aggregate liability of Sellers for all claims under or in connection with this Agreement, other than Insured Claims, shall, subject to Section 20.6 below, (i) with respect to all Sellers taken together not exceed EUR 25,000,000 (in words: Euro twenty-five million) (herein “ **Total General Liability Cap** ”) and (ii) with respect to each Seller individually not exceed an amount equal to the Total General Liability Cap multiplied with the Pro Rata Liability Percentage of the respective Seller (herein “ **Individual General Liability Caps** ”, and, together with the Total General Liability Cap, herein collectively “ **General Liability Caps** ”).
- 20.6. Neither the W&I Liability Caps nor the General Liability Caps shall apply to any Exempted Claims, provided, however, that Sellers’ aggregate overall liability under or in connection with this Agreement, except for claims of Purchaser arising as a result of willful deceit (*arglistige Täuschung*) or intentional behavior (*Vorsatz*) by Sellers or Sellers’ Deal Team, shall (i) with respect to Seller 1 in no event exceed the S1 Total Purchase Price, (ii) with respect to Seller 2 in no event exceed the S2 Total Purchase Price and (iii) with respect to Seller 3 in no event exceed the S3 Total Purchase Price ((i) through (iii) herein collectively “ **Overall Liability Caps** ”).
- 20.7. The remedies that Purchaser and/or Guarantor may have against Sellers for any breach of their obligations set forth under or in connection with this Agreement are solely governed by this Agreement, and the remedies of Purchaser provided for by this Agreement shall be the exclusive remedies available to Purchaser, any Affiliates of Purchaser or the Companies under and/or in connection with this Agreement. Except as explicitly otherwise set forth in this Agreement, any right of Purchaser and/or Guarantor to withdraw (*zurücktreten*) from this Agreement or to require the winding up of the transactions contemplated under this Agreement (e.g. by way of *großer Schadenersatz* or *Schadenersatz statt der ganzen Leistung*) shall be excluded (*ausgeschlossen*) and waived (*verzichtet*) by Purchaser and Guarantor with such waiver being hereby accepted by Sellers. Further, (i) any claims for a breach of pre-contractual obligations (*culpa in contrahendo*), including claims arising under Sections 241 (2), 311 (2) and (3) German Civil Code (*BGB*), or ancillary obligations (*Nebenpflichten*), including claims arising under Sections 241 (2), 280 German Civil Code (*BGB*), (ii) any claims based on frustration of contract (*Störung der Geschäftsgrundlage*) pursuant to Section 313 German Civil Code

(*BGB*), (iii) all remedies of Purchaser for defects of the purchase object, including claims arising under Sections 437 through 441 German Civil Code (*BGB*), and (iv) the right to rescind (*anfechten*) this Agreement are hereby expressly excluded (*ausgeschlossen*) and waived (*verzichtet*) by Purchaser and Guarantor with such waiver being hereby accepted by Sellers. The limitations of this Section 20.7 shall not apply to claims against a Seller based on willful deceit (*arglistige Täuschung*) or intentional behavior (*Vorsatz*) by Sellers, it being agreed that under or in connection with this Agreement, Sellers' liability for willful deceit or intentional behavior of any of their vicarious agents (*Erfüllungsgehilfen*), except for Sellers' Deal Team, and the right to rescind (*anfechten*) this Agreement based on willful deceit by such vicarious agents, except for Sellers' Deal Team, shall in any event remain excluded.

21. Purchaser's General Covenants

- 21.1. Purchaser acknowledges and agrees that all documents in the custody and control of the Companies and relating to the period until (and including) the Closing Date (herein “ **Retention Materials** ”) shall be preserved and retained by the Companies for the period beginning on the Closing Date and ending on the later of (i) the fifth (5th) anniversary of the Closing Date, (ii) the expiry of applicable statutory document retention obligations and (iii) in case any arbitral or court proceedings in respect of any claims of Purchaser against Sellers under or in connection with this Agreement are pending, the termination of such proceedings (whether by binding and enforceable award or by settlement or withdrawal) (herein “ **Data Preservation Termination Date** ”). Prior to the Data Preservation Termination Date, Purchaser shall consult with Sellers' Representative before destroying or modifying any Retention Materials and permit Sellers' Representative to review and reproduce such Retention Materials prior to any destruction or modification by Purchaser or the Companies. Purchaser undertakes that, as from the Closing Date, Sellers, Sellers' Affiliates and their accountants, professional advisers and other representatives shall be granted, upon their request and without undue delay, full access during normal business hours to the Retention Materials (including the right to receive hard copies and/or electronic copies thereof) and to the personnel and advisors of the Business, to the extent necessary or appropriate for any legitimate reasons of Sellers or any of Sellers' Affiliates, including in order to enable Sellers or any of Sellers' Affiliates to fully enforce any rights and determine any obligations they may have under this Agreement or in relation to the Business towards third parties or governmental authorities or as necessary or useful for Sellers or any of Sellers' Affiliates in connection with any audit or other accounting matter, investigation, or any other reasonable business purpose relating to the Business, to Sellers or to any of Sellers' Affiliates.

- 21.2. Purchaser shall procure (*steht dafür ein*) that, except with the prior written consent of Sellers, any W&I Insurance in relation to this Agreement (if any) taken out after the Closing Date provides for the benefit of Sellers that any claims against a Seller shall only be subrogated (by operation of law or contractually) in case of willful deceit (*arglistige Täuschung*) or intentional behavior (*Vorsatz*) by Sellers or Sellers' Deal Team.
- 21.3. Purchaser shall procure (*steht dafür ein*) that, for a period of three (3) years after the Closing Date:
- 21.3.1. none of the employees of the EHG Group employed as of the Signing Date at any of the EHG Group's sites located in Bad Waldsee, Germany, shall be terminated for operational grounds (*betriebsbedingte Beendigung*) (herein “**No Termination Commitment**”); and
- 21.3.2. none of the EHG Group's sites operated as of the Signing Date in Bad Waldsee, Germany, shall be closed or partly closed.

In each individual case of a breach of the No Termination Commitment, Purchaser shall pay to the respective employee a contractual penalty (*Vertragsstrafe*) in an amount equal to the gross annual salary of the respective employee terminated, provided, however, that only Sellers shall be entitled to claim such payment to the respective employee, but not the respective employee himself/herself (*unechter Vertrag zugunsten Dritter*). Except to the extent required otherwise in cases of a material economic downturn with material adverse effects on the EHG Group's sites operated as of the Signing Date in Isny, Germany, as reasonably determined, the provisions of this Section 21.3 shall apply mutatis mutandis to the EHG Group's sites operated as of the Signing Date in Isny, Germany, and the employees of the EHG Group employed as of the Signing Date at any of such sites.

- 21.4. For as long as Sellers hold together more than 50% (in words: fifty percent) of the Stock Consideration, but in any event for a period of five (5) years after the Closing Date, Sellers shall have the right to jointly nominate for appointment and removal one member of the supervisory board of the Target Company (herein “**Sellers' Nominee**”). Purchaser shall procure (*steht dafür ein*) that the Sellers' Nominee shall be appointed or removed, as the case may be, by the shareholders'

meeting of the Target Company in accordance with the nominations made by the Sellers from time to time pursuant this Section 21.4 and Purchaser shall be entitled to remove the Sellers' Nominee if and when Sellers have no longer the right to nominate the Sellers' Nominee.

22. Purchaser's Tax Covenants

22.1. Purchaser agrees, and, as far as the time after the Closing Date is concerned, Purchaser shall procure (*steht dafür ein*), that:

22.1.1. Sellers shall be given the opportunity to prepare (i) all Tax Returns required to be filed by or on behalf of any Company which relate to the Tax assessment period in which the Sassenberg Contribution or any Corporate Reorganization becomes effective for Tax purposes or in which the holding period initiated by the Sassenberg Contribution will be breached and (ii) all applications with regard to the tax treatment of the Corporate Reorganizations; and

22.1.2. subject to the occurrence of Closing, the Companies shall file such Tax Returns and applications when due as prepared by Sellers and in a manner that ensures that the Contribution is and will be effected at fair market values for Tax purposes (*i.e.* , is not and will not be neutral for Tax purposes) and, that the other Corporate Reorganizations (*i.e.* , except for the Contribution) are and will be effected at book values for Tax purposes (*i.e.* , are and will be neutral for Tax purposes), except to the extent required otherwise by mandatory law and provided that such Tax Returns and applications are in line with **Exhibit 22.1.2**. Sellers shall ensure that any Tax Returns, including the relevant working papers, will be furnished to the respective Company for review and filing no later than twenty (20) Business Days, prior to the due date of the relevant Tax Return, provided that Purchaser and the Companies are required to file the Tax Returns as prepared by Sellers, unless and to the extent they are not in line with the principles set out above.

Purchaser shall, and shall procure (*steht dafür ein*) that the Companies shall, provide Sellers and their advisors with all information and assistance reasonably requested to prepare such Tax Returns and applications.

- 22.2. As from the Closing Date, Purchaser shall procure (*steht dafür ein*) that, except for the Tax Returns prepared by Sellers pursuant to Section 22.1 above, the Companies shall prepare and file when due all Tax Returns required to be filed by or on behalf of any Company, provided that such Tax Returns are prepared and filed in accordance with the following principles:
- 22.2.1. Any Tax Returns shall be prepared in accordance with the principles set out in **Exhibit 22.1.2.**
- 22.2.2. Any Tax Returns relating to any matter which (i) could give rise to a Trade Tax Indemnification Claim or (ii) is related to the Pre-Effective Date Tax Period ((i) and (ii) herein each a “ **Relevant Tax Matter** ”) shall be subject to the review and prior written consent of Sellers’ Representative, which shall not be unreasonably withheld, thereby taking into account also the reasonable business interests of the Companies. In the event that Purchaser reasonably determines that Sellers’ Representative is unreasonably withholding its consent, Purchaser and Sellers’ Representative shall consult with each other and attempt in good faith to resolve such dispute. The Tax Returns to be filed after the Closing that relate to a Relevant Tax Matter shall, to the extent compliant with mandatory law, be prepared consistent with the policies, procedures, practices and election rights adopted in the Tax Returns for previous Tax assessment periods of the Companies. Purchaser shall ensure that any Tax Returns, including the relevant working papers, to be reviewed and approved by Sellers’ Representative will be furnished to Sellers’ Representative no later than twenty (20) Business Days, or, in the case of Tax Returns (taking into account any extension of the filing deadline permitted or granted under applicable law) to be filed on a monthly or quarterly basis, five (5) Business Days, prior to the due date of the relevant Tax Return, and will be filed in accordance with Sellers’ Representative’s instructions (to the extent these instructions relate to any Relevant Tax Matter and are compliant with mandatory Tax law).
- 22.2.3. Any Tax Returns which do not relate to a Relevant Tax Matter are not subject to the review and prior written consent of Sellers’ Representative, provided that in the event (i) that Sellers request so in writing or (ii) that it is evident to Purchaser or the relevant Company that such a Tax Return would have an adverse Tax impact on Sellers’ or any Sellers’ Affiliates Tax position, in particular due to statutory

periods under the German Inheritance and Gift Tax Act (*ErbStG*), Purchaser shall in advance of the filing of such Tax Return consult the Sellers, and the Parties shall discuss in good faith the relevant filing position. Purchaser shall take into account any reasonable comments provided by Sellers in the relevant Tax Return, unless and to the extent it can be reasonably expected that they would entail any tax or economic disadvantage for Purchaser or any of the Companies.

22.3. With respect to Tax Returns prepared by the Sellers pursuant to Section 22.1 above and Sellers' Representative's instructions relating to a relevant Tax Return pursuant to Section 22.2.2 above, the Parties agree as follows:

22.3.1. The Companies shall have the right to submit facts and circumstances with such Tax Return which the Companies and/or the Purchaser in their reasonable discretion and acting in good faith deem required to be disclosed to the Tax Authorities under mandatory Tax law.

22.3.2. Except for instructions in connection with, or relating to, the Trade Tax Indemnification Claim, the Sassenberg Contribution and/or the Contribution, Purchaser shall have the right to object against the Tax Returns prepared by Sellers and/or Sellers' Representative's instructions in writing, to the extent complying with mandatory law and specifying in reasonable detail in which issues of the instructions Purchaser disagrees and which position shall be taken instead (herein “ **Purchaser's Objection** ”), within ten (10) Business Days

22.3.2.1. if and to the extent the objected instructions of Sellers' Representative triggered or increased the amount of Taxes payable by the Companies compared to the amount of Taxes that would have been payable by the Companies if the position described in the relevant Purchaser's Objection had been taken and the relevant Sellers' Representative's instruction had not been given (herein “ **Additional Companies' Tax** ”), and

22.3.2.2. unless and to the extent the objected instructions of Sellers' Representative would have helped to avoid or reduce an amount of Taxes payable by Sellers (herein “ **Reduced Sellers' Taxes** ”) which is greater than the Additional Companies' Tax, provided that in this case Sellers shall pay to Purchaser an amount equal to 50% (in words: fifty percent) of the Reduced Sellers' Taxes.

- 22.3.3. Irrespective of a Purchaser's Objection issued in accordance with Section 22.3.2 above, Purchaser shall, and shall procure (*steht dafür ein*) that the Companies shall, file the Tax Returns as prepared by Sellers and comply with the relevant instruction of the Sellers' Representative
- 22.3.3.1. if so requested by Sellers' Representative in writing despite such Purchaser's Objection; and
- 22.3.3.2. provided that Sellers indemnify and hold harmless Purchaser, or at Purchaser's election, the Companies, from and against any Taxes triggered or increased by the Tax Returns prepared by Sellers or the relevant Sellers' Representative's instruction and payable by the Companies to the extent such Taxes exceed the amount of Taxes payable by the Companies that would have been payable by the Companies if the position described in such Purchaser's Objection issued in accordance with Section 22.3.2 above had been taken in the Tax Returns and the relevant instruction of Sellers' Representative had not been given, it being agreed that Sections 15.2, 15.5 through 15.7 above shall apply *mutatis mutandis* to this Section 22.3.3.2.
- 22.4. Sections 22.1, 22.2 and 22.3 shall apply *mutatis mutandis* to any amendment of a Tax Return.
- 22.5. As from the Closing Date, Purchaser shall notify Sellers' Representative of all Tax assessments and announcements of Tax audits or any other material written notices from the Tax Authorities relating to (i) any Relevant Tax Matter, (ii) the Sassenberg Contribution and/or (iii) the Corporate Reorganizations (any proceedings relating to any of the items under (i) through (iii) herein collectively “ **Relevant Tax Proceedings** ”). Purchaser's notice shall be given without undue delay after the respective Company has received the relevant assessment or announcement. Each notification shall be in writing and shall include copies of all documents reasonably required to understand the Relevant Tax Proceeding. Purchaser shall, and shall procure (*steht dafür ein*) that the respective Company shall, permit Sellers and their representatives, and give them the opportunity, to participate at their request in all Relevant Tax Proceedings, in each case at the cost of Sellers.

- 22.6. As from the Closing Date, Purchaser shall, and shall procure (*steht dafür ein*) that the Companies shall, (i) at Sellers' Representative written request and cost, challenge and litigate any Tax assessment relating to a Relevant Tax Proceeding, (ii) not settle any Relevant Tax Proceeding or assessment relating to a Relevant Tax Proceeding without Sellers' Representative prior written consent, (iii) not amend any Tax Return relating to a Relevant Tax Proceeding without Sellers' Representative prior written consent, unless such amendment is required by mandatory law, and (iv) not submit any written communication relating to a Relevant Tax Proceeding to any Tax Authority or Tax court without Sellers' Representative's prior written consent, which consent shall in each case not be unreasonably withheld, thereby taking into account also the reasonable business interests of the Companies. If Sellers have the right pursuant to this Agreement and elect to direct any Relevant Tax Proceeding, Purchaser shall procure (*steht dafür ein*) that, at the cost of Sellers, such proceeding is conducted in accordance with Sellers' Representative's instructions, as far as such instructions comply with mandatory law.
- 22.7. With respect to Sellers' Representative's instructions relating to a Relevant Tax Proceeding, Section 22.3 shall apply *mutatis mutandis* .
- 22.8. Purchaser shall fully cooperate, and shall cause the Companies and their representatives to fully cooperate, with Sellers in connection with all Relevant Tax Proceedings, including the preparation and filing of any Tax Returns or the calculation of the wage bill (*Lohnsumme*) for German inheritance and gift Tax purposes. This shall also include (but shall not be limited to) (i) the providing and making available by Purchaser and Companies to Sellers' Representative of books, records and information and (ii) appropriate assistance during regular business hours of all officers and employees of Purchaser and its Affiliates (including the Companies), in each case to the extent necessary in connection with any Relevant Tax Proceeding.
- 22.9. The covenants of Purchaser contained in this Section 22 are herein collectively referred to as “ **Purchaser's Tax Covenants** ” and shall take precedence over any contradicting provisions under Section 15 above, if any.

23. Purchaser's Indemnity

- 23.1. Purchaser shall indemnify and hold harmless Sellers from and against any and all losses, liabilities (whether present or future, actual or contingent) and reasonable out-of-pocket costs and expenses (including Taxes, reasonable legal fees, expenses and disbursements) arising out of or in connection with any of the following:
- 23.1.1. the conduct of the Business for which any Seller is held liable or for which liability against any Seller is asserted, in each case in, in connection with or in relation to its capacity as (i) former direct or indirect shareholder, partner or member of a Company or (ii) former director, officer, board member, employee, advisor or agent of a Company, unless and to the extent such liability is based on willful deceit (*arglistige Täuschung*) or intentional behavior (*Vorsatz*) by a Seller;
 - 23.1.2. any claims brought against any Seller and asserted by any Company or any of its successors or assignees or any other persons acting on its or their behalf or for its or their benefit or any of its or their creditors arising out of or relating to a Seller's (former) direct or indirect shareholding or interest in a Company, including the (former) partners' accounts (*Gesellschafterkonten*) of Sellers at the level of EHG, unless and to the extent such claim is based on willful deceit (*arglistige Täuschung*) or intentional misconduct (*vorsätzliche Pflichtverletzung*) by a Seller;
 - 23.1.3. any claims brought against any Seller arising out of, or in connection with, any contributions, mergers or other corporate reorganizations in relation to the EHG Group which were implemented prior to the Effective Date as well as the Corporate Reorganizations and/or any Corporate Reorganization Document, unless and to the extent such claim is based on willful deceit (*arglistige Täuschung*) or intentional misconduct (*vorsätzliche Pflichtverletzung*) by a Seller;
 - 23.1.4. any claims brought against any Seller arising out of, or in connection with, (i) any External Debt Financing Agreements or (ii) any other debt or financial liabilities or obligations of any of the Companies, including any acts carried out pursuant to Sections 4.3 through 4.7 above, unless and to the extent such claim is based on willful deceit (*arglistige Täuschung*) or intentional misconduct (*vorsätzliche Pflichtverletzung*) by a Seller;

- 23.1.5. any claims brought against any Seller and/or any Taxes payable by any Seller arising out of, or in connection with, the non-compliance after the Closing Date with statutory holding periods or Tax arrangements (including binding rulings) which are disclosed in **Exhibit 23.1.5**, unless such non-compliance occurred (i) with the prior written consent of each of Sellers or (ii) in order to implement the Contribution in accordance with this Agreement;
- 23.1.6. any claims brought against any Seller and/or Taxes payable by any Seller arising out of, or in connection with, a breach of the Purchaser's Tax Covenants under Section 22 above; and/or
- 23.1.7. any claims relating to an Insured Claim brought against any Seller by any Insurer, including any subrogation of claims (by operation of law or contractually) other than a subrogation in case of willful deceit (*arglistige Täuschung*) or intentional behavior (*Vorsatz*) by a Seller or a member of Sellers' Deal Team;

in each case unless and except to the extent Purchaser has an enforceable right to claim damages or indemnification from a Seller in respect of such losses, liabilities or damages under the terms of this Agreement. Except for Purchaser's obligation to indemnify and hold harmless Sellers pursuant to Sections 23.1.5 and 23.1.6 above, this Section 23.1 shall not apply to Taxes, and Purchaser shall not have any obligation under this Section 23.1 to indemnify and hold harmless any Seller from and against any Taxes or liabilities relating to Taxes. Purchaser's obligation to indemnify and hold harmless Sellers pursuant to Sections 23.1.1 through 23.1.4 above shall not apply to claims raised by a third party, other than a Company or any of its successors or assignees, for criminal action (*Straftat*) or misdemeanor (*Ordnungswidrigkeit*) except to the extent that, in case of negligent criminal action (*Straftat*) or negligent misdemeanor (*Ordnungswidrigkeit*) of a Seller, the relevant Company has contributed to such criminal action (*Straftat*) or misdemeanor (*Ordnungswidrigkeit*) (*Aufteilung nach Verursachungsbeiträgen*).

- 23.2. Purchaser agrees to indemnify and hold harmless, to the fullest extent permitted by law, each Seller from and against any and all losses, liabilities and reasonable out-of-pocket costs and expenses (including reasonable legal fees, expenses and disbursements), as such losses, liabilities, external costs and expenses are incurred,

to which any of the foregoing may become subject insofar as such losses, liabilities, external costs or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (as defined in Section 28.1 below) or any related preliminary prospectus or prospectus (or any amendment or supplement thereto), (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iii) any violation or alleged violation by Purchaser or Guarantor of Section 5 of the Securities Act or any rule or regulation thereunder or any similar state law relating to the Registration Statement, in each case except insofar as such losses, liabilities, costs or expenses arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission in information relating to any of Sellers furnished in writing to Purchaser by or on behalf of any of Sellers. To the extent that a court of competent jurisdiction determines that the indemnification rights of any Seller under this Section 23.2 are not enforceable, then Purchaser shall contribute to the losses, liabilities, external costs or expenses of such Seller in such proportion as is appropriate to reflect the relative fault of Sellers and Purchaser, or Guarantor, as the case may be, in connection with the statements, omissions or other actions that resulted in the loss, claim, damage or liability as well as other relevant equitable considerations. The provisions of this Section 23.2 and Section 28 below shall inure to the benefit of and be binding upon the successors and assigns of each Seller, except with respect to any Registrable Shares (as defined in Section 28.1 below) which have been registered as contemplated by Section 28 below and are subsequently sold or otherwise disposed of or transferred.

- 23.3. Section 14.2 above shall apply *mutatis mutandis* to any of Sellers' claims pursuant to Sections 23.1 and 23.2 above (herein collectively "**Sellers' Indemnification Claims**").
- 23.4. A Sellers' Indemnification Claim shall be time-barred (*verj ä hrt*) twelve (12) months after a Seller has been notified in writing of the respective claim or liability both stating the amount of the claim or liability and the underlying facts, in reasonably sufficient detail, giving rise to the respective Sellers' Indemnification Claim, but in case of a Sellers' Indemnification Claim pursuant to Sections 23.1.5 and 23.1.6 above not earlier than six (6) months after the relevant Tax assessment notice can no longer be amended (*nicht mehr ä nderbare Festsetzung*). Section 20.2 above shall apply *mutatis mutandis* .

24. Discharge of Supervisory Board Members

Without prejudicing other rights as shareholder of the Companies, the Parties agree that Sellers may, without having an obligation to do so, exercise their rights as (indirect) shareholders of certain Companies to grant the members of the supervisory boards, management boards and the managing directors of the Target Company as well as the other Companies full discharge (*Entlastung*) for the time up to and including the Scheduled Closing Date.

25. Sellers' Several Liability

Unless provided explicitly otherwise in this Agreement, Sellers shall not be liable as joint and several debtors (*Gesamtschuldner*), but as several debtors (*Teilschuldner*) for any obligations arising under or in connection with this Agreement *pro rata* to the respective Sellers' share in the Base Purchase Price, i.e., (i) a share corresponding to 32,648 (in words: thirty-two thousand six hundred forty-eight) divided by 481,686 (in words: four hundred eighty-one thousand six hundred eighty-six) for Seller 1, (ii) a share corresponding to 224,518 (in words: two hundred twenty-four thousand five hundred eighteen) divided by 481,686 (in words: four hundred eighty-one thousand six hundred eighty-six) for Seller 2 and (iii) a share corresponding to 224,520 (in words: two hundred twenty-four thousand five hundred twenty) divided by 481,686 (in words: four hundred eighty-one thousand six hundred eighty-six) for Seller 3 ((i) through (iii) each herein a “ **Pro Rata Liability Percentage** ”), in each case except to the extent that performance claims (*Erfüllungsansprüche*) to transfer title to the Target Shares of a Seller or Individual Sellers' Guarantees are concerned, in which case only such Seller shall be liable.

26. Guarantor's Guarantee and Procurement Obligation

Guarantor hereby unconditionally and irrevocably guarantees to Sellers by means of an independent guarantee promise (*selbständiges Garantieverprechen*) the full, due and timely performance of any payment obligations of Purchaser under or in connection with this Agreement, in each case in accordance with this Agreement, in particular the payment of the Total Purchase Price, the Break Fee and any Sellers' Indemnification Claims, as well as under or in connection with any of the Ancillary Agreements in accordance with their terms. Guarantor hereby waives

any rights which it may have to require Sellers to proceed first against, or claim payment from, Purchaser to the effect that as between Sellers and Guarantor the latter shall be liable as principal debtor as if it had itself entered into the payment obligations of Purchaser under this Agreement, including, in particular, with respect to the Total Purchase Price, the Break Fee and any Sellers' Indemnification Claims, jointly and severally (*gesamtschuldnerisch*) with Purchaser. Guarantor further undertakes to ensure (*sicherstellen*) the fulfillment of all other obligations of Purchaser under or in connection with this Agreement, in particular, without limitation, in relation to the Stock Consideration; provided however that nothing in this Section 26 shall be construed as to establish a guarantee upon first demand or to deprive Purchaser of any of its defenses (*Einreden und Einwendungen*) under or in connection with this Agreement and further provided that the Guarantor shall be entitled to defend itself against any claims made by the Sellers against the Guarantor under or on connection with this Agreement in the same manner as the Purchaser is entitled to under or in connection with this Agreement.

27. Restrictions of Announcement and Confidentiality

- 27.1. Each of the Parties undertakes that prior to the Closing Date it will not make, and will cause all of its respective Affiliates not to make, any announcement or press release in connection with this Agreement unless (i) required by applicable law, applicable stock exchange regulations, the rules of any applicable self-regulatory organization or the rules of the SEC, or (ii) Sellers and Purchaser have given their consent to such announcement or press release, including the form of such announcement, which consent may not be unreasonably withheld, conditioned or delayed, thereby taking into account also the business interests of the Companies. If and to the extent any announcement, press release or disclosure of information regarding the subject matter of this Agreement is to be made under applicable law, applicable stock exchange regulations, the rules of any applicable self-regulatory organization or the rules of the SEC, the Party concerned shall, to the extent permissible under applicable law, applicable stock exchange regulations, the rules of any applicable self-regulatory organization or the rules of the SEC, use its commercially reasonable efforts to allow the respective other Parties reasonable time to comment on such announcement or press release in advance of its issuance and to take any such comments of the respective other Parties, acting reasonably and in good faith, in due consideration. The Parties agree that the Parties shall, promptly following each of the execution of this Agreement and upon the Closing, issue a mutually agreed upon joint announcement. For the avoidance of doubt, any filings made pursuant to required Clearances are not covered by this Section 27.1.

- 27.2. The Parties expressly acknowledge and agree that this Agreement and its terms and all information, whether written or oral, furnished by either Party and/or any of its Affiliates to another Party and/or its Affiliates in connection with the preparation, negotiation and consummation of this Agreement and the due diligence conducted by Purchaser, any of its professional advisors, any Insurer and/or any finance providers in connection therewith (herein “ **Confidential Information** ”) shall be deemed to be confidential and shall be maintained by each Party and its respective Affiliates in strict confidence, it being understood that this shall also apply to any Confidential Information disclosed under Section 14.2 and/or Section 14.4 above or any provisions in this Agreement referring to Section 14.2 above.
- 27.3. The receiving Party shall use the same degree of care as it uses with regard to its own confidential information to prevent disclosure, use or publication of the Confidential Information of the disclosing Party. Confidential Information of the disclosing Party shall be held in strict confidence by the receiving Party unless the receiving Party is able to prove that the Confidential Information is or has been:
- 27.3.1. obtained legally and freely from a third party without any restrictions;
 - 27.3.2. independently developed by the receiving Party at a prior time or in a separate and distinct manner without benefit of any of the Confidential Information of the disclosing Party, and documented to be as such;
 - 27.3.3. made available by the disclosing Party for general release independent of the receiving Party;
 - 27.3.4. made public as required by applicable laws, regulations, court proceedings or stock exchange regulations; or
 - 27.3.5. within the public domain or later becomes part of the public domain as a result of acts by someone other than the receiving Party and through no fault or wrongful act of the receiving Party.
- 27.4. A receiving Party may disclose Confidential Information of a disclosing Party to directors, officers, employees and agents of the receiving Party including its respective brokers, lenders, advisors or insurance carriers who have specifically agreed in writing to non-disclosure in accordance with the terms and conditions hereof, or are bound by comparable statutory confidentiality obligations, and who have a need to know such Confidential Information in connection with the

transactions contemplated under this Agreement. Any disclosure of Confidential Information required by legal process pursuant to this Section 27 shall, to the extent legally permissible, only be made after providing the disclosing Party with notice thereof in order to permit the disclosing Party to seek an appropriate protective order or exemption. A violation by a receiving Party or its agents of the foregoing provisions shall entitle the disclosing Party, at its election, to obtain injunctive relief without a showing of irreparable harm or injury and without bond. The provisions of this Section 27 shall survive and remain effective for a period of three (3) years after the Closing Date.

28. Guarantor Common Stock

- 28.1. Subject to the timely receipt by Purchaser of properly completed and signed selling stockholder questionnaires from Sellers in the form attached hereto as **Exhibit 28.1** (herein “**Selling Stockholder Questionnaires**”), Guarantor shall on or before the day that is forty-five (45) days following the Closing Date, if the SEC is accepting filings in its EDGAR filing system at such time and, if not, the next Business Day thereafter, or, if such Selling Stockholder Questionnaires have not been timely received, ten (10) Business Days after such receipt by Purchaser, file with the SEC a shelf registration statement on Form S-3 or other applicable registration statement which complies as to form in all material respects with the requirements of the applicable form and includes all financial statements required by the SEC to be filed therewith (herein “**Registration Statement**”), or an amendment to an effective Registration Statement, to effect the registration for resale on a continuous basis of all of the Stock Consideration received by Sellers (herein “**Registrable Shares**”) and to permit or facilitate the sale and distribution of all or a portion of the Registrable Shares held by Sellers as a result of a distribution by Sellers of such Registrable Shares; provided that if in the reasonable judgment of Guarantor, based on the good faith advice of outside legal counsel, the filing of such Registration Statement would be inconsistent with the Securities Act due to pending events or transactions that would constitute material, non-public information, Guarantor may delay the filing of the Registration Statement for up to thirty (30) days; provided, further, however, that Guarantor shall file such Registration Statement as soon as reasonably practicable after the public dissemination of such information or the termination of the event or transaction giving rise to the right to delay the filing of the Registration Statement. If permissible, the Registration Statement shall be an automatically effective shelf registration statement on Form S-3. The term Registration Statement shall include the initial Registration Statement filed pursuant to this Agreement, and any amendment or supplement thereto and any subsequent registration statement filed with respect to the Registrable Shares.

- 28.2. Subject to Section 28.3 below, Guarantor shall keep the Registration Statement continuously effective for a period ending on the later of (a) such time as Sellers have completed the sale and distribution of all Registrable Shares, or (b) such time as Sellers may sell all such Registrable Shares pursuant to Rule 144 promulgated under the Securities Act without volume, manner-of-sale or other restrictions pursuant to Rule 144 and without the requirement for Guarantor to be in compliance with the current public information requirement of Rule 144 (herein “ **Effectiveness Period** ”).
- 28.3. If in the reasonable judgment of the board of directors of Guarantor, based on the good faith advice of outside legal counsel, continued use of the Registration Statement would be inconsistent with the Securities Act due to information, pending events or transactions that would constitute material, non-public information, Guarantor may suspend use of the Registration Statement for up to ninety (90) days in any twelve (12) month period and no more than thirty (30) consecutive days at any one time; provided, however, that Guarantor shall terminate such suspension as soon as reasonably practicable after such information has been publicly disseminated or the event or transaction giving rise to the suspension has terminated. Guarantor shall, as promptly as reasonably practicable following the termination of the circumstance which entitled Guarantor to suspend use of the Registration Statement, take such actions as may be necessary to file or reinstate the effectiveness of the Registration Statement and give written notice to all Sellers authorizing them to resume sales pursuant to the Registration Statement.
- 28.4. Guarantor shall use its reasonable best efforts to take all actions as may be necessary so that, subject to the compliance by Sellers with all applicable securities laws, Sellers may freely sell the Registrable Shares pursuant to a Registration Statement in accordance with the provisions of the Securities Act during the Effectiveness Period, including, but not limited to (a) promptly preparing and filing with the SEC all amendments and supplements to the Registration Statement and the prospectus used in connection with the Registration Statement (including, if necessary, filing a new registration statement on Form S-1 or otherwise), (b) promptly filing all amendments or additional registration statements necessary because Guarantor is no longer a “well known seasoned issuer” (herein “ **WKSI** ”) as defined in the Securities Act, and (c) promptly taking all reasonable actions to obtain the prompt withdrawal of any order suspending the effectiveness of any Registration Statement or the prompt resolution of any

objection by the SEC. If a Registration Statement is filed and Guarantor is not a WKSI, Guarantor shall use its reasonable best efforts to take all actions as may be necessary to cause such Registration Statement to be declared effective as soon as reasonably practicable after the filing thereof.

- 28.5. Guarantor shall furnish, without charge, such number of prospectuses, including any preliminary prospectuses, and other documents incident thereto, including any amendment of or supplement to the prospectus and any document incorporated therein by reference, as a Seller from time to time may reasonably request and Guarantor hereby consents to the use of any such prospectus and each amendment or supplement thereto by Sellers in connection with the offering or sale of the Registrable Shares. Guarantor shall furnish, without charge, to each Seller, such number of conformed copies as each Seller from time to time may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference).
- 28.6. Guarantor shall notify each Seller (i) when a Registration Statement has become effective, when any post-effective amendment thereto has been filed and becomes effective and when any amendment or supplement to any prospectus included in a Registration Statement has been filed, (ii) of any request by the SEC or any state securities authority for amendments or supplements to a Registration Statement or any prospectus included therein or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or any prospectus included therein or the initiation of any proceedings for that purpose, including the receipt by Guarantor of any notice of objection of the SEC to the use of a shelf registration statement on Form S-3 or any post-effective amendment thereto, (iv) of the withdrawal of any such stop order or objection by the SEC, (v) if, between the applicable effective date of the Registration Statement and the closing of any sale of Registrable Shares covered thereby, Guarantor receives any notification with respect to the suspension of the qualification of Registrable Shares for sale in any jurisdiction or the initiation of any proceeding for such purpose and (vi) at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the Registration Statement or the prospectus included therein, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not

misleading, and following such notification promptly prepare and furnish, without charge, to each Seller a reasonable number of copies of a supplement to or an amendment of such Registration Statement or prospectus as may be necessary so that, as thereafter delivered to the purchasers of Registrable Shares, such Registration Statement or prospectus shall not include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

- 28.7. Guarantor shall provide and cause to be maintained a transfer agent and registrar for all Registrable Shares registered pursuant to the Registration Statement and a CUSIP number for all Registrable Shares, in each case not later than the effective date of the Registration Statement and, if requested, shall facilitate the timely preparation and delivery of certificates representing the Registrable Shares to be sold without any restrictive legend and in a form eligible for deposit into the Depository Trust Company.
- 28.8. Guarantor shall cause all Registrable Shares to be listed on the New York Stock Exchange, or such other securities exchange or quotation service that makes the primary market in shares of Guarantor Common Stock if it is not then listed on the New York Stock Exchange, no later than the date of effectiveness of the Registration Statement.
- 28.9. Guarantor shall use its reasonable best efforts to take all actions necessary to register or qualify the Registrable Shares for offer and sale under all applicable state securities or blue sky laws of such jurisdictions as each Seller may reasonably request by the time the Registration Statement becomes effective, and take all such other actions that may be reasonably necessary or advisable to enable each Seller to complete the disposition in each such jurisdiction of the Registrable Shares owned by such Seller; provided, however, that in no event shall Guarantor be required in connection therewith or as a condition thereto to qualify to do business or file a general consent to service of process in any such jurisdiction where it would not otherwise be required to so qualify or consent.
- 28.10. Guarantor shall cooperate with and assist each Seller in connection with any filing required to be made with the Financial Industry Regulatory Authority, and use its reasonable best efforts to take all action to cause the Registrable Shares covered by the applicable Registration Statement to be registered with or approved by such other governmental authorities as may be necessary to enable Sellers to consummate the sale of such Registrable Shares; provided, however, that in no

event shall Guarantor be required in connection therewith or as a condition thereto to qualify to do business or file a general consent to service of process in the jurisdiction of any such governmental authorities where it would not otherwise be required to so qualify or consent.

- 28.11. Guarantor shall pay all costs, fees and expenses in connection with compliance with Purchaser's and Guarantor's obligations under this Section 28, including all costs, fees and expenses (other than the legal fees and expenses of Sellers and their Affiliates) in connection with the filing of any Registration Statement (and any supplement or amendment thereto), the registering of the Registrable Shares, fees and expenses of compliance with securities or "blue sky" laws, transfer agent fees, all fees and costs associated with the maintenance of the effectiveness of the Registration Statement and the listing of the Registrable Shares on the New York Stock Exchange (or such other securities exchange or quotation service that makes the primary market in shares of Guarantor Common Stock if it is not then listed on the New York Stock Exchange), and all registration, filing, qualification, printing, accounting, legal and other fees and expenses of Purchaser or Guarantor, in each case, incurred in connection with the registration for sale of any Registrable Shares.
- 28.12. Guarantor shall use its reasonable best efforts to take all other actions necessary to permit Sellers to transfer and sell the Registrable Shares without restrictions or limitations, including taking all action necessary to remove any legend on any certificates representing Registrable Shares or any stop transfer orders or instructions on any Registrable Shares held in uncertificated form or to register the Registrable Shares in such denominations as such Seller may reasonably request, in each case no later than the day any Registration Statement, or any amendment thereto, becomes effective with respect to the Registrable Shares or upon receipt of written notice from any Seller, subject to the receipt by the transfer agent of all opinions of counsel, affidavits, representations and such other documentation as reasonably requested by, and in form and substance reasonably acceptable to, the transfer agent.
- 28.13. At and as of the effective date of the Registration Statement, Guarantor shall ensure, and represents and warrants, that all information required to be disclosed by Guarantor pursuant to either the Securities Act or the Exchange Act shall be disclosed in such Registration Statement or incorporated by reference therein, such that, subject to compliance by Sellers with all applicable securities laws, all Registrable Shares held by Sellers may be immediately sold by any Seller without liability under the Securities Act with respect to such sale.

- 28.14. If, at any time after initial filing of the Registration Statement, Guarantor plans to use or file any prospectus, any amendment of or supplement to any Registration Statement or prospectus, or any document that is to be incorporated by reference into a Registration Statement or prospectus, in each case, other than any report filed by Guarantor under the Exchange Act, or any exhibit filed with such report, Guarantor, to the extent reasonably practicable and otherwise permissible by applicable law, shall provide Sellers and their counsel a copy thereof in advance of such use or filing.
- 28.15. To the extent that any Seller reasonably concludes, or the SEC asserts that, any Seller may be deemed to be an underwriter (as such term is defined in the Securities Act) in connection with any sale of Guarantor Common Stock acquired pursuant to this Agreement, Guarantor shall provide such Seller and any Affiliate of such Seller that is a registered broker-dealer such access to its books, records and operations as it would customarily provide an underwriter in an underwritten offering for the sole purpose of permitting such Seller to conduct due diligence reasonably necessary to establish appropriate defenses to liabilities under the Securities Act, and shall make all necessary amendments to, or file a new, Registration Statement to reflect such Seller's status as an underwriter or as otherwise necessary as a result of such Seller's status as an underwriter.
- 28.16. Guarantor shall take all action reasonably requested by any Seller or as necessary, including obtaining all necessary approvals from its board of directors, to permit any Seller to sell any Stock Consideration pursuant to a Rule 10b5-1 Plan (subject to receipt of certification from such Seller that such Seller is not in possession of material nonpublic information regarding Guarantor at the time of entry into such Rule 10b5-1 Plan), to enter into such collar and hedge transactions as any Seller shall request on or after the date of issuance, and to grant such exemptions as are necessary to permit any such Seller to trade outside of the trading windows described in Guarantor's insider trading policy, in each case subject to compliance by such Seller with all applicable securities laws; provided, however, that nothing in this Section 28.16 shall obligate Purchaser or Guarantor to make any disclosure of any material, nonpublic information.
- 28.17. In addition to, and not in limitation of, any other obligation contained in this Section 28, Guarantor shall promptly notify Sellers (or their agents designated in writing by such Sellers) if such Sellers are unable for any reason to use any Registration Statement for the sale of the Registrable Shares.

- 28.18. Guarantor shall enter into such customary agreements and use commercially reasonable efforts to take such other customary actions as Sellers or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of the Registrable Shares.
- 28.19. Until Sellers no longer own any Registrable Shares, Guarantor shall use its reasonable best efforts to be and remain in compliance with the periodic filing requirements imposed under the SEC's rules and regulations, including the Exchange Act, and any other applicable laws or rules, and thereafter shall timely file such information, documents and reports as the SEC may require or prescribe under Sections 13, 14 and 15(d), as applicable, of the Exchange Act in order to enable Sellers to sell the Registrable Shares without registration under the Securities Act consistent with the exemptions from registration under the Securities Act provided by (i) Rule 144 or Regulation S under the Securities Act, or (ii) any similar SEC rule or regulation then in effect. Until Sellers no longer own any Registrable Shares, Guarantor shall upon written request promptly furnish any Seller (x) a written statement by Guarantor as to whether it has complied with such requirements and, if not, the specifics thereof, (y) a copy of the most recent annual or quarterly report of Guarantor and (z) such other reports and documents filed by Guarantor with the SEC, as such Seller may reasonably request in availing itself of an exemption for the offering and sale of Registrable Shares without registration under the Securities Act, in each case to the extent not readily publicly available.

29. Notices, Agent of Process

- 29.1. All notices and other communications under this Agreement, except as explicitly provided otherwise, shall be made in writing and shall be delivered or sent by registered mail, courier or e-mail (with explicit confirmation of receipt) to the addresses below or to such other addresses which may be specified by any Party to the other Parties in the future in writing:

If to Sellers:

Münster Stegmaier Rombach Family Office GmbH
Attn: Johannes Stegmaier
Biberacher Straße 116
88339 Bad Waldsee
Germany
E-Mail: johannes.stegmaier@msr-familyoffice.de

with a copy to:

Hengeler Mueller
Attn: Prof. Dr. Hans-Jörg Ziegenhain / Dr. Daniel Möritz
Leopoldstr. 8-10
80802 Munich
Germany
E-Mail: hans-joerg.ziegenhain@hengeler.com / daniel.moeritz@hengeler.com

If to Purchaser and/or Guarantor:

Thor Industries, Inc.
601 East Beardsley Avenue
Elkhart, Indiana 46514-3305
USA
Attn: Colleen Zuhl, Senior Vice President and Chief Financial Officer
E-Mail: czuhl@thorindustries.com

with a copy to:

Thor Industries, Inc.
601 East Beardsley Avenue
Elkhart, Indiana 46514-3305
USA
Attn: Todd Woelfer, Senior Vice President, General Counsel and Secretary
E-Mail: twoelfer@thorindustries.com

and

Baker McKenzie
Partnerschaft von Rechtsanwälten,
Wirtschaftsprüfern und Steuerberatern mbB
Friedrichstraße 88/Unter den Linden
10117 Berlin
Germany
Attn: Dr. Thorsten Seidel
E-Mail: thorsten.seidel@bakermckenzie.com

- 29.2. Purchaser and Guarantor hereby irrevocably appoint and authorize Balder Industries GmbH, Friedrichstraße 88, 10117 Berlin (herein “ **Purchaser’s Representative** ”) as agent for service of process for all legal proceedings involving Purchaser and/or Guarantor arising out of or in connection with this Agreement. Such service shall be deemed completed upon delivery to such agent, whether or not it is forwarded to and received by Purchaser and/or Guarantor, as the case may be. A revocation of such appointment and authorization shall only be permitted and valid if upon such revocation a new agent with service address in Germany is appointed and authorized. Sellers herewith agree to such new service address of Purchaser’s Representative in Bad Waldsee as Purchaser’s Representative notifies Seller’s Representative in writing.
- 29.3. Sellers hereby irrevocably appoint and authorize Münster Stegmaier Rombach Family Office GmbH, Biberacher Straße 116, 88339 Bad Waldsee (herein “ **Sellers’ Representative** ”) as agent for service of process for all legal proceedings involving any of Sellers arising out of or in connection with this Agreement. Such service shall be deemed completed upon delivery to such agent (whether or not it is forwarded to and received by Seller 1, Seller 2 and/or Seller 3, as the case may be). A revocation of such appointment and authorization shall only be permitted and valid if made by Seller 1, Seller 2 and Seller 3 jointly and if upon such revocation a new agent with service address in Germany is appointed and authorized.

30. Costs, Expenses, Fees, Charges and VAT Treatment

- 30.1. Save as otherwise set forth in Section 30.2 below, all costs, expenses, fees and charges in connection with the transactions contemplated under this Agreement, including legal services, shall be borne by the Party commissioning the respective costs, expenses, fees and charges.
- 30.2. All transfer Taxes (including real estate transfer Taxes, and any indirect Taxes, if applicable), stamp duties, all official charges resulting from this Agreement and the transactions contemplated under this Agreement and all official charges charged by governmental authorities in connection with the Clearances or otherwise shall be borne by Purchaser.
- 30.3. Any consideration set forth in this Agreement regarding the transactions contemplated under this Agreement shall be net amounts excluding any amount in respect of value added Tax (*Umsatzsteuer*) (herein “ **VAT** ”). It is the Parties’

mutual understanding that all transactions contemplated under this Agreement are either not taxable (*nicht umsatzsteuerbar*) or exempt from VAT (*umsatzsteuerfrei*), and no Party shall waive any exemption from VAT pursuant to Section 9 German Value Added Tax Act (*UStG*) or a similar provision under foreign VAT laws. If and to the extent, contrary to the mutual understanding of the Parties, VAT applies in respect of any supply of goods or services by any of the Parties under this Agreement, an amount in respect of such VAT shall be paid by the respective recipient of such supply in addition to the amount agreed by the Parties to be paid for such supply, provided that the reverse charge provisions according to which the recipient owes VAT do not apply and the respective supplier has not waived the relevant exemption from VAT pursuant to Section 9 German Value Added Tax Act (*UStG*) or a similar provision under foreign VAT laws. Such amount in respect of VAT shall be due (*fällig*) and payable (*zahlbar*) as soon as the recipient of the relevant supply has received from the relevant supplier an invoice which complies with the provisions of Sections 14 and 14a German Value Added Tax Act (*UStG*) or similar provisions under foreign VAT laws.

31. Entire Agreement, Interpretation, Time

- 31.1. This Agreement, including the Ancillary Agreements, the Exhibits and Disclosure Schedules, comprises the entire agreement between the Parties concerning the subject matter hereof and supersede and replace all oral and written declarations of intention made by the Parties in connection with the contractual negotiations.
- 31.2. Changes or amendments to this Agreement (including to this Section 31.2) must be made in writing by the Parties or in any other legally required stricter form. Notwithstanding anything to the contrary in this Section 31.2 or elsewhere in this Agreement, this Section 31.2 and Sections 31.3 and 32.3 below (and any definition set forth in, or other provision of, this Agreement to the extent that an amendment or modification of such definition or other provision would amend or modify the substance of this Section 31.2 or Sections 31.3 and 32.3 below) may not be amended or modified without the prior written consent of the Lender and the Financing Sources (and any such amendment or modification without such prior written consent shall be null and void).
- 31.3. The Parties agree that neither of the Lender nor any of the Financing Sources is a party hereto, and none of them shall have any liability to any of the Sellers or any of their respective Affiliates relating to or arising out of this Agreement, the Debt Commitment Letter, the financing documents related to the Debt Financing or any

ancillary agreement thereto, whether at law, or equity, in contract, in tort or otherwise, and none of the Sellers nor any of their respective Affiliates will have any rights or claims against the Lender or any of the Financing Sources under this Agreement or thereunder.

- 31.4. In this Agreement, the headings are inserted for convenience only and shall not affect the interpretation of this Agreement; where a German term has been inserted in quotation marks and/or italics it alone, and not the English term to which it relates, shall be authoritative for the purpose of the interpretation of the relevant English term in this Agreement, provided that where jurisdictions other than Germany are concerned, the relevant German term in quotation marks and/or italics alone, and not the English term to which it relates, shall be authoritative for determining the relevant term or legal concept under the laws of the relevant jurisdiction which comes as close as possible to the relevant German term or legal concept.
- 31.5. Any times of day referred to in this Agreement shall be interpreted as Central European Time (CET) or Central European Summer Time (CEST), as applicable in Germany on the relevant day.

32. No Third Party Rights and Procurement Obligation

- 32.1. This Agreement shall not grant any rights to, and is not intended to operate for the benefit of, third parties unless otherwise explicitly provided for herein. Wherever under this Agreement any party other than Purchaser is to be indemnified by Sellers, such other party, in particular the Companies, shall not be entitled to bring any claims for indemnification against Sellers (*kein echter Vertrag zugunsten Dritter*).
- 32.2. To the extent that this Agreement implies to impose any obligations on a person which is not a Party to this Agreement, such clause shall be interpreted as an obligation of the Parties to use their respective reasonable efforts to cause such person to act as contemplated under this Agreement, provided, however, that, should the person concerned be an Affiliate of a Party, such Party shall procure (*dafür einstehen*) that the person concerned acts as contemplated under this Agreement, in each case except to the extent explicitly set forth otherwise in this Agreement.

- 32.3. The Lender and the Financing Sources shall be third party beneficiaries of this Section 32 and Sections 31.2 and 31.3 above, it being understood and agreed that such third-party beneficiary rights shall be limited to the assertion of the express provisions of this Agreement, and shall have the right to consent to any modification of this Section 32 and Sections 31.2 and 31.3 above, or of any definition set forth in, or other provision of, this Agreement to the extent the modification thereof would modify the substance of this Section 32 and Sections 31.2 and 31.3 above, to the extent such modification affects their interests.

33. No Assignment and No Set-off Rights

- 33.1. Unless otherwise explicitly provided for in this Agreement, no Party shall be entitled to assign any rights or claims under this Agreement without the written consent of the other Parties. The foregoing shall not apply to any rights or claims assigned by Purchaser as security (*sicherungsabgetreten*) to the Financing Sources provided that Purchaser remains exclusively responsible for and entitled to the enforcement of the relevant rights or claims.
- 33.2. Unless otherwise explicitly provided for in this Agreement, no Party shall be entitled (i) to set-off (*aufrechnen*) any rights and claims it may have under this Agreement against any rights or claims any other Party may have under this Agreement or (ii) to refuse to perform any obligation it may have under this Agreement on the grounds that it has a right of retention (*Zur ü ckbehaltungsrecht*), unless the rights or claims of the relevant Party claiming a right of set-off (*Aufrechnung*) or retention (*Zur ü ckbehaltung*) have been acknowledged (*anerkannt*) in writing by the relevant other Party or have been confirmed by final decision of a competent court (*Gericht*) or arbitral tribunal (*Schiedsgericht*).

34. Interest

Any interest payable under any provision of this Agreement shall be calculated on the basis of actual days elapsed divided by 360 (in words: three hundred and sixty).

35. Non-Compete and Non-Solicitation

- 35.1. For a period of two (2) years from the Closing Date, Sellers shall refrain, and shall procure that Sellers' Affiliates and/or Sellers' Related Persons refrain, from:
- 35.1.1. engaging, directly or indirectly, in the development, design, manufacture, assembly, marketing or distribution of, or the rendering of services for, recreational vehicles addressing all relevant customer segments, including related and ancillary activities concerning, for instance, accessories, services and rental of vehicles if and to the extent that such products or services are delivered or rendered, directly or indirectly, in the geographic areas in which the Target Companies engage in business on the Signing Date or on the Closing Date and excluding the activities described in **Exhibit 35.1.1** (herein each a “**Competing Activity**”);
 - 35.1.2. holding, directly or indirectly, any equity interest in any legal entity engaging, directly or indirectly, in any Competing Activity, except for equity interests representing less than 10% (in words: ten percent) of the shares in any publicly listed company, that are held as a financial investment only, i.e. do not give Sellers, Sellers' Affiliates or Sellers' Related Persons the right, directly or indirectly, to control or exert material influence over the business of the respective legal entity;
 - 35.1.3. selling or otherwise making available, directly or indirectly, to any individual person or legal entity engaging, directly or indirectly, in any Competing Activity any know-how or other elements of goodwill, trade secrets or other information of a confidential nature of the Companies; or
 - 35.1.4. serving as a representative for any individual person or legal entity engaging, directly or indirectly, in any Competing Activity.
- 35.2. If an obligation under Section 35.1 above is breached, then the Purchaser must initially demand in writing upon setting a reasonable grace period that the relevant Seller cease and desist from committing such breach and/or cause the relevant Sellers' Affiliate or Sellers' Related Person to cease and desist from committing such breaches. After the grace period set forth in sentence 1 above has expired, then the Purchaser may demand that the relevant Seller place it (or, at the election of the Purchaser, the Company concerned) in such position as it would have been

in had the activity that breached Section 35.1 above been carried out for its account. In particular, any benefit or advantage which the relevant Seller, Sellers' Affiliate or Sellers' Related Person concerned may gain from the prohibited activity must be passed on to the Purchaser (or, at the election of the Purchaser, the Company concerned). This shall not prejudice the right to recover damages which the Purchaser, any Company or other members of the Purchaser's group of companies incurs as a result of the breaching conduct.

35.3. For a period of two (2) years from the Closing Date, Sellers shall refrain, and shall procure that Sellers' Affiliates and/or Sellers' Related Persons refrain, from:

35.3.1. influencing or attempting to influence any customer, supplier, consultant or other third party maintaining a contractual or other business relationship with any Company to terminate or discontinue such relationship or to reduce the volume of goods or services provided thereunder; or

35.3.2. soliciting or attempting to solicit the service or employment of any current or future director, officer or employee of any Company.

In the event that the foregoing duties are breached, Section 35.2 above shall apply *mutatis mutandis* .

35.4. Sellers and Purchaser understand and agree that in the case of a breach by a Seller of the obligations in Section 35, the remedies available to Purchaser under this Agreement may not be sufficient to indemnify Purchaser and the Material Companies fully against all damage, and that therefore Purchaser shall be entitled to enforce any claims for specific performance (*Unterlassungs- und Beseitigungsansprüche*) by injunctive relief (*einstweiliger Rechtsschutz*) without having to establish irreparable harm.

36. Governing Law and Dispute Resolution

36.1. This Agreement shall be governed by, and construed in accordance with, the laws of Germany (excluding conflict of laws rules).

36.2. All disputes arising under or in connection with this Agreement, including any disputes in connection with its validity, shall be exclusively and finally settled by arbitration proceedings as agreed in the arbitration agreement executed by the Parties simultaneously with the execution of this Agreement, a copy of which is attached hereto as **Exhibit 36.2** .

37. Invalid Provisions and Unintended Gaps (*Salvatorische Klausel*)

- 37.1. In the event that one or more provisions of this Agreement shall, or shall be deemed to, be invalid or unenforceable, the validity and enforceability of the other provisions of this Agreement shall not be affected thereby. In such case, the Parties agree to recognize and give effect to such valid and enforceable provision or provisions, which correspond as closely as possible with the commercial intent of the Parties.
- 37.2. The same shall apply in the event that this Agreement (including the Exhibits) and/or the Ancillary Agreements contain any unintended gaps (*unbeabsichtigte Vertragslücken*).
- 37.3. It is the Parties' express intention that this Section 37 shall not only operate as a mere reversal of the burden of proof, but to maintain the validity of the remaining provisions of this Agreement to the fullest extent permissible, thus, to exclude the applicability of Section 139 German Civil Code (*BGB*) in its entirety.

* * *

[*signature pages follow*]

Mrs. Gertraud Hymer

/s/ Gertrude Hymer

Mrs. Carolin Hachenberg

/s/ Carolin Hachenberg

Mr. Christian Hymer

/s/ Christian Hymer

Tyr Holdings LLC & Co. KG

/s/ Todd Woelfer

By: Todd Woelfer

Title:

Thor Industries Inc.

/s/ Todd Woelfer

By: Todd Woelfer

Title: Sr. VP, General Counsel & Secretary

JPMORGAN CHASE BANK, N.A.
383 Madison Avenue
New York, New York 10179

BARCLAYS
745 Seventh Avenue
New York, New York 10019

CONFIDENTIAL
September 18, 2018

Project Vision
Commitment Letter

Thor Industries, Inc.
601 East Beardsley Ave.
Elkhart, IN 46514
Attention: Colleen Zuhl, Senior Vice President and Chief Financial Officer

Ladies and Gentlemen:

You have advised JPMorgan Chase Bank, N.A. (“JPMorgan”) and Barclays Bank PLC (“Barclays”, and together with JPMorgan, the “Commitment Parties” or “us” or “we”) that Thor Industries, Inc., a Delaware corporation (“you” or the “Company”), intends to enter into the transactions described in the Transaction Summary attached hereto as Exhibit A (the “Transactions”). Capitalized terms used but not defined herein are used with the meanings assigned to them on the Exhibits attached hereto (such Exhibits, together with this letter, collectively, the “Commitment Letter”).

1. Commitments

In connection with the Transactions, (i) JPMorgan is pleased to advise you of its several, but not joint, commitment to provide 60% of the aggregate amount of the Credit Facilities (to be allocated ratably between the Credit Facilities) and (ii) Barclays is pleased to advise you of its several, but not joint, commitment to provide 40% of the aggregate amount of the Credit Facilities (to be allocated ratably between the Credit Facilities), in each case upon the terms and subject to the conditions set forth in this letter and Exhibits B, C and D hereto (the Summary of Terms and Conditions set forth on each of Exhibits B and C hereto are collectively referred to herein as the “Term Sheets”).

2. Titles and Roles

It is agreed that JPMorgan and Barclays will act as joint lead arrangers and joint bookrunners for the Credit Facilities (acting in such capacities, the “Lead Arrangers”) and JPMorgan will act as sole administrative agent for the Credit Facilities. Notwithstanding the foregoing, the Company agrees that JPMorgan may perform its responsibilities hereunder through its affiliate, J.P. Morgan Securities LLC.

You agree that no other agents, co-agents, arrangers, co-arrangers, bookrunners, co-bookrunners, managers or co-managers will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the Term Sheets and Fee Letters referred to below) will be paid in connection with the Credit Facilities unless you and we shall so reasonably agree (it being understood and agreed that no other agent, co-agent, arranger, co-arranger, bookrunner, co-bookrunner, manager or comanager shall be entitled to greater economics in respect of the Credit Facilities than JPMorgan); provided, however, that within fifteen (15) business days after the date hereof, you may appoint up to

three (3) additional financial institutions reasonably satisfactory to the Lead Arrangers as additional joint lead arrangers, joint bookrunners, agents, co-agents or co-managers (any such arranger, bookrunner, agent, co-agent or co-manager, an “ Additional Commitment Party ”) for the Credit Facilities and award such financial institutions with economics determined by you (it being understood that, to the extent you appoint any Additional Commitment Party in respect of the Credit Facilities, such financial institution or one or more of its affiliates shall commit to providing a percentage of the aggregate principal amount of each Credit Facility at least commensurate with the economics and fees awarded to such financial institution or its affiliates, as applicable, and the commitment and economics of each Commitment Party hereunder and under the Arranger Fee Letter in respect of each Credit Facility will be proportionately reduced by the amount of the commitments and economics of such appointed entity or its affiliates, as applicable, with respect to such Credit Facility upon the execution by such financial institution or such affiliate, as applicable, of customary joinder documentation); provided further, however, that in no event will the commitments so allocated to the Additional Commitment Parties in respect of the Credit Facilities exceed 15% of the aggregate principal amount of the Credit Facilities. It is further agreed that JPMorgan will have “left” placement on and will appear on the top left of any Information Materials (as defined below) and all other offering or marketing materials in respect of the Credit Facilities, and JPMorgan will perform the roles and responsibilities conventionally understood to be associated with such “left” placement.

3. Syndication

The Lead Arrangers intend to syndicate the Credit Facilities in each case to a group of banks, financial institutions and other lenders identified by them in consultation with you (such banks, financial institutions and other lenders, together with the Commitment Parties, the “ Lenders ”); provided that (a) the Lead Arrangers will not syndicate or offer the opportunity to acquire a commitment or provide any portion of the Credit Facilities, to any Disqualified Lenders (as defined below), (b) solely with respect to the ABL Facility, the Lead Arrangers will not syndicate or offer the opportunity to acquire a commitment or provide any portion of such facility, to any bank, financial institution or other institutional lender unless such bank, financial institution or other institutional lender is reasonably approved by you (such approval not to be unreasonably withheld, delayed or conditioned) and (c) notwithstanding the Lead Arrangers’ right to syndicate the Credit Facilities and receive commitments with respect thereto, unless you otherwise agree in writing (i) the Commitment Parties shall not be relieved, released or novated from their obligations hereunder (including their obligation to fund the Credit Facilities on the Closing Date) in connection with any syndication, assignment or participation of the Credit Facilities, including their commitments in respect thereof, until after the Closing Date has occurred, (ii) no assignment or novation by any Commitment Party shall become effective as between you and such Commitment Party with respect to all or any portion of such Commitment Party’s commitments in respect of the Credit Facilities until the initial funding of the Credit Facilities and (iii) each Commitment Party shall retain exclusive control over all rights and obligations with respect to its commitment in respect of the Credit Facilities, including all rights with respect to consents, modifications, supplements, waivers and amendments, until the Closing Date has occurred. For purposes of this Commitment Letter, the term “ Disqualified Lender ” shall mean (x) any entity separately identified in writing prior to the date hereof on the “Disqualified Lender” list provided by you to us, (y) any entity that is a competitor of the Company, the Target or any of their respective Subsidiaries (each, a “ Competitor ”), in each case that is identified by name in writing on the “Disqualified Lender” list or in a supplement to the “Disqualified Lender” list provided to the Lead Arrangers from time to time after the date hereof and (z) in the case of the foregoing clauses (x) and (y), any affiliate of such entity, which affiliate is either (i) clearly identifiable as such based solely on the similarity of its name to an entity set forth on the “Disqualified Lender” list and is not a bona fide debt investment fund or (ii) identified as an affiliate in writing after the date hereof in a written supplement to the “Disqualified Lender” list and is not a bona fide debt investment fund; provided that any supplement to the “Disqualified Lender” list shall become effective three (3) business days after delivery to the Lead Arrangers, but which supplement shall not apply retroactively to disqualify any entities that have (i)

previously acquired an assignment or participation interest in the Credit Facilities in accordance with this Commitment Letter or the Credit Documentation, (ii) entered into a trade for an assignment or participation interest in the Credit Facilities in accordance with this Commitment Letter or the Credit Documentation or (iii) become a competitor of the Company or its subsidiaries before such entity is added to the “Disqualified Lender” list, but upon effectiveness of such designation, any such party may not acquire any additional commitments or participations; provided further that, no supplements shall be made to the “Disqualified Lender” list from and including the date of the launch of primary syndication of the Credit Facilities through and including the Syndication Date.

The Lead Arrangers intend to commence syndication efforts promptly, and, until the earlier to occur of (x) the date that is sixty (60) days following the Closing Date and (y) a Successful Syndication (as defined in the Arranger Fee Letter) (such earlier date, the “Syndication Date”), you agree to assist (and, to the extent you have rights to do so under the Purchase Agreement, to use your commercially reasonable efforts to cause the Target and its subsidiaries to actively assist) the Lead Arrangers in completing a syndication reasonably satisfactory to the Lead Arrangers and you. Such assistance shall be subject to compliance with the laws, rules and regulations of federal, state and other applicable jurisdictions and shall include (A) your using commercially reasonable efforts to ensure that the syndication efforts benefit from your and your subsidiaries’ existing banking relationships, (B) direct contact between appropriate members of your senior management (including the finance director) and advisors and the proposed Lenders (and, to the extent you have rights to do so under the Purchase Agreement, using your commercially reasonable efforts to arrange such contact between senior management (including the finance director) of the Target and the proposed Lenders), in all such cases at times and locations to be mutually agreed upon, (C) your preparing and providing to the Commitment Parties (and, to the extent you have rights to do so under the Purchase Agreement, using commercially reasonable efforts to cause the Target to prepare and provide) all information customary for transactions of this type with respect to you and your subsidiaries and the Target and its subsidiaries (to the extent that such information is reasonably available to you) and the Transactions, including all financial information and “Projections” (as defined below) customary for transactions of this type, as the Commitment Parties may reasonably request in connection with the arrangement and syndication of the Credit Facilities and your assistance (and, to the extent you have rights to do so under the Purchase Agreement, using your commercially reasonable efforts to cause the Target to assist) in the preparation of a confidential information memorandum and lender slides (a “Confidential Information Memorandum”) and other marketing materials customary for transactions of this type to be used in connection with the syndication (all such information, memoranda and material, “Information Materials”), (D) prior to the launch of the syndication, using your commercially reasonable efforts to procure, at your expense, a public corporate credit rating and a public corporate family rating in respect of the Company from Standard & Poor’s Financial Services LLC (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”), respectively, and ratings for each of the Credit Facilities from each of S&P and Moody’s (in each case on a pro forma basis for the Transactions), (E) your hosting, with the Commitment Parties, of one or more meetings of prospective Lenders at times and locations to be mutually agreed (and, to the extent you have rights to do so under the Purchase Agreement, using your commercially reasonable efforts to cause the senior management (including the finance director) of the Target to be available for such meetings) and (F) your ensuring that, prior to the Syndication Date, there is no competing offering, placement, arrangement or syndication of any debt securities or bank financing or other credit facilities (other than the Credit Facilities or any “Permitted Debt” (as defined below)) or announcement thereof by or on behalf of you and your subsidiaries and, subject to your rights to do so under the Purchase Agreement, your using commercially reasonable efforts to ensure that there is no competing offering, placement, arrangement or syndication of any debt securities or bank financing or other credit facilities or announcement thereof by or on behalf of the Target and its subsidiaries (other than the Credit Facilities or any Permitted Debt), in all cases under this clause (F), if such offering, placement, arrangement or syndication could reasonably be expected to materially impair our syndication of the Credit Facilities. For purposes of this Commitment Letter and the Credit Documentation, the term “Permitted Debt” shall mean (i) ordinary

course purchase money, capital lease, equipment and similar financings, (ii) with respect to the Target and its subsidiaries, any indebtedness permitted by the Purchase Agreement to remain outstanding following the Closing Date, (iii) intercompany debt among the Company and its subsidiaries or among the Target and its subsidiaries and (iv) any other financing agreed by the Lead Arrangers.

Upon the reasonable request of the Commitment Parties, you will furnish for no fee, to the Commitment Parties an electronic version of your and your subsidiaries' trademarks, service marks and corporate logos for use in marketing materials for the purpose of facilitating the syndication of the Credit Facilities (the "License"); provided, however, that the License shall be used solely for the purpose described above and may not be assigned or transferred. You hereby authorize the Commitment Parties to download copies of the Company's trademark logos from its website and post copies thereof on the IntraLinks site, SyndTrak site or similar workspace established by JPMorgan to syndicate the Credit Facilities and use the logos on any Confidential Information Memorandum, presentations and other marketing materials prepared in connection with the syndication of the Credit Facilities or in any advertisements (to which you consent, such consent not to be unreasonably withheld, delayed or conditioned) that the Commitment Parties may place after the closing of any of the Credit Facilities in financial and other newspapers and journals, or otherwise, at its own expense describing its services to the Company hereunder. Without limiting your obligations to assist with syndication efforts as set forth in this paragraph, we agree that (except for purposes of determining whether a Successful Syndication has been achieved under the market flex provisions of the Arranger Fee Letter) we will not be released from our commitment hereunder in connection with any syndication or assignment to any Lender unless (A) (i) you have consented to such syndication or assignment in writing (such consent not to be unreasonably withheld, delayed or conditioned) and (ii) any such Lender has entered into customary amendment, restatement or joinder documentation (in form and substance reasonably satisfactory to JPMorgan and you) with respect to this Commitment Letter committing to provide a portion of the Credit Facilities (in which case our commitments hereunder shall be reduced at such time by an amount equal to the commitment assumed by such Lender) or (B) such Lender shall have entered into the applicable Credit Documentation and funded the portion of the Credit Facilities required to be funded by it on the Closing Date. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letters or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary, your obligations to assist in syndication efforts as provided herein shall not constitute a condition to the commitments hereunder or the funding of the Credit Facilities on the Closing Date and it is understood that each Commitment Party's commitment hereunder is not conditioned upon the syndication of, or receipt of commitments in respect of, the Credit Facilities and in no event shall the commencement or successful completion of syndication of the Credit Facilities or receipt of any ratings constitute a condition to the availability of the Credit Facilities on the Closing Date.

The Lead Arrangers will manage, in consultation with you, all aspects of the syndication, including decisions as to the selection of institutions to be approached, and when they will be approached, when commitments will be accepted, which institutions will participate, the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders, in all cases, subject to the provisions hereof with respect to Disqualified Lenders. You hereby acknowledge and agree that the Lead Arrangers will have no responsibility other than to arrange the syndication as set forth herein and in no event shall any Commitment Party be subject to any fiduciary or other implied duties in connection with the transactions contemplated hereby.

At the request of the Commitment Parties, you agree to assist in the preparation of a version of each Confidential Information Memorandum or other Information Material (a "Public Version") consisting exclusively of information with respect to you, your subsidiaries, the Target and its subsidiaries and the Acquisition that is either publicly available or not material with respect to you and your subsidiaries, the Target and its subsidiaries, any of your or their respective securities or the Acquisition for purposes of United States federal and state securities laws or, with respect to the Target and its subsidiaries, is of a type

that would be publicly available if the Target was a U.S. public reporting company (such information, “Non-MNPI”). Such Public Versions, together with any other information prepared by you or the Target or your or its subsidiaries or representatives and conspicuously marked “Public” (collectively, the “Public Information”), which at a minimum means that the word “Public” will appear prominently on the first page of any such information, may be distributed by us to prospective Lenders who have advised us that they wish to receive only Non-MNPI (“Public Side Lenders”). You acknowledge and agree that, in addition to Public Information and unless you promptly notify us otherwise, (a) drafts and final definitive documentation with respect to the Credit Facilities, (b) marketing term sheets and administrative materials prepared by the Commitment Parties for prospective Lenders (such as a lender meeting invitation, allocations and funding and closing memoranda), and (c) notifications of changes in the terms of the Credit Facilities may be distributed to Public Side Lenders. You acknowledge that each Commitment Party’s public-side employees and representatives who are publishing debt analysts may participate in any meetings held pursuant to clause (E) of the third preceding paragraph; provided that, such analysts shall not publish any information obtained from such meetings (i) until the syndication of the Credit Facilities has been completed upon the making of allocations by the Lead Arrangers and the Lead Arrangers freeing the Credit Facilities to trade or (ii) in violation of any confidentiality agreement between you and any Commitment Party.

In connection with our distribution to prospective Lenders of any Confidential Information Memorandum and, upon our request, any other Information Materials, you will execute and deliver to us a customary authorization letter authorizing such distribution and, in the case of any Public Version thereof or other Public Information, representing that it only contains Non-MNPI. Each Confidential Information Memorandum will be accompanied by a disclaimer exculpating us and our affiliates with respect to any use, and you and your affiliates with respect to any misuse, thereof and of any related Information Materials by the recipients thereof.

For the avoidance of doubt, you will not be required to provide any information to the extent that the provision thereof would violate any law, rule or regulation, or any obligation of confidentiality binding upon, or waive any privilege that may be asserted by you or any of your affiliates; provided that (i) you shall use commercially reasonable efforts to obtain the relevant consents under such obligations of confidentiality to allow for the provision of such information, (ii) you shall provide each Commitment Party notice that you determined to withhold such information in reliance on this sentence and (iii) the foregoing shall not limit the representations set forth below in Section 4.

4. Information

You hereby represent and warrant that (with respect to any information relating to the Target and its subsidiaries, to your knowledge) (a) all written information (including all Information Materials), other than the Projections, other forward-looking information, budgets, forecasts, estimates and information of a general economic or industry specific nature (the “Information”), that has been or will be made available to us by you or, at your direction, by any of your representatives in connection with the transactions contemplated hereby, when taken as a whole with other information made available (taken in combination with the information contained in your most recent Form 10-K filing for the fiscal year ended July 31, 2017 and any interim filings after such date on Form 10-Q or Form 8-K with the Securities and Exchange Commission (“SEC”), after giving effect to all supplements and updates thereto provided through the date furnished, does not or will not, when furnished to us, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (when taken as a whole with other information made available (taken in combination with the information contained in your most recent Form 10-K filing for the fiscal year ended July 31, 2017 and any interim filings after such date on Form 10-Q or Form 8-K with the SEC), and after giving effect to all supplements and updates thereto provided through the date furnished) and (b) the financial projections

and other forward-looking information (the “Projections”) that have been or will be made available to us by you or, at your direction, by any of your representatives in connection with the transactions contemplated hereby have been or will be prepared in good faith based upon assumptions believed by you to be reasonable at the time furnished to us (it being understood that (i) the Projections are as to future events and are not to be viewed as facts, and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material and (ii) the Projections are subject to significant uncertainties and contingencies and no assurance can be given that the projected results will be realized). You agree that if, at any time prior to the later of (x) Closing Date and (y) the Syndication Date, you become aware that any of the representations in the preceding sentence would be incorrect in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time (to your knowledge, prior to the Closing Date, with respect to the Information and Projections relating to the Target and its subsidiaries), then you will (or, with respect to the Information and Projections relating to the Target and its subsidiaries, to the extent you have rights to do so under the Purchase Agreement, will use commercially reasonable efforts to) promptly supplement, or cause to be supplemented, the Information and the Projections so that (with respect to Information and Projections relating to the Target and its subsidiaries, to your knowledge) such representations will be correct in all material respects under those circumstances. You understand that in arranging and syndicating the Credit Facilities we may use and rely on the Information and Projections without independent verification thereof.

5. Fees

As consideration for the commitments and agreements of each Commitment Party hereunder, you agree to pay or cause to be paid the nonrefundable fees described in the Arranger Fee Letter (the “Arranger Fee Letter”) and the Administrative Agent Fee Letter (the “Administrative Agent Fee Letter”), in each case dated the date hereof and delivered herewith (the “Fee Letters” and each a “Fee Letter”) on the terms and subject to the conditions set forth therein.

6. Conditions

Each Commitment Party’s commitments and agreements hereunder are subject solely to the satisfaction (or waiver by each Commitment Party) of the conditions set forth in this Section 6, in Exhibit D, in Exhibit B under the heading “Certain Conditions – Initial Conditions” and in Exhibit C under the heading “Certain Conditions – Conditions Precedent”.

Notwithstanding anything in this Commitment Letter, the Fee Letters or the definitive documentation for the Credit Facilities (the “Credit Documentation”) to the contrary, (a) the only representations relating to you and your subsidiaries and the Target and its subsidiaries and their respective businesses the accuracy of which shall be a condition to availability of the Credit Facilities on the Closing Date shall be the Specified Representations (as defined below) and (b) the terms of the Credit Documentation shall be in a form such that they do not impair the availability of the Credit Facilities on the Closing Date if the conditions set forth in this Section 6, in Exhibit D, in Exhibit B under the heading “Certain Conditions – Initial Conditions” and in Exhibit C under the heading “Certain Conditions – Conditions Precedent”, in each case, limited on the Closing Date as indicated therein, are satisfied (or waived by each Commitment Party) (it being understood that, to the extent any collateral (including the grant or perfection of any security interest) referred to in the Term Sheets is not or cannot be provided on the Closing Date (other than the grant and perfection of security interests (i) in assets (to the extent required by the Term Sheets) with respect to which a lien may be perfected solely by the filing of a financing statement under the Uniform Commercial Code (“UCC”) or other applicable local law, or (ii) in the equity interests, if any, of your material subsidiaries, and, to the extent you have rights to do so under the Purchase Agreement, the Target and its material subsidiaries (in each case, to the extent required by the Term Sheets) with respect to which a lien may be perfected by the delivery of an equity certificate or otherwise by

agreement executed under local law) after your use of commercially reasonable efforts to do so or without undue burden or expense, then the provision and perfection of such collateral shall not constitute a condition precedent to the availability and initial funding of the Credit Facilities on the Closing Date, but may instead be provided after the Closing Date pursuant to arrangements to be mutually agreed by the Administrative Agents and the Company). For purposes hereof, “Specified Representations” means the representations and warranties referred to in the Term Sheets relating to corporate or other organizational existence, organizational power and authority of the Company and the Guarantors to enter into and perform the Credit Documentation, due authorization, execution and delivery by the Company and the Guarantors of, performance of, and enforceability against the Company and the Guarantors of, the Credit Documentation, effectiveness, validity and perfection of first priority (subject to permitted liens) liens under the security documents (subject to the limitations set forth in the preceding sentence), no conflicts of the Credit Documentation with the organizational documents of the Company and the Guarantors, the PATRIOT Act, the Investment Company Act, solvency as of the Closing Date (after giving effect to the Transactions) of the Company and its subsidiaries on a consolidated basis (solvency to be defined in a manner consistent with the manner in which solvency is determined in the solvency certificate to be delivered pursuant to paragraph 1(b) of Exhibit D), Federal Reserve margin regulations and anticorruption laws and sanctions. Notwithstanding anything in this Commitment Letter or the Fee Letters to the contrary, the only conditions to availability and initial funding of the Credit Facilities on the Closing Date are set forth in this Section 6, in Exhibit D, in Exhibit B under the heading “Certain Conditions – Initial Conditions” and in Exhibit C under the heading “Certain Conditions – Conditions Precedent”, in each case, limited on the Closing Date as indicated therein. This paragraph, and the provisions herein, shall be referred to as the “Limited Conditionality Provision”.

7. Indemnification and Expenses

You agree (a) to indemnify and hold harmless each Commitment Party, its affiliates and its and their respective directors, officers, employees, advisors, affiliates, agents and other representatives (each, an “indemnified person”) from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject, to the extent arising out of or in connection with this Commitment Letter, the Fee Letters, the Credit Facilities, the use of the proceeds thereof or the Acquisition and the Transactions or any claim, litigation, investigation or proceeding relating to any of the foregoing (each a “Proceeding”), regardless of whether any indemnified person is a party thereto, whether or not such Proceedings are brought by you, your equity holders, affiliates, creditors or any other person, and to reimburse each indemnified person upon demand for any reasonable and documented out-of-pocket legal expenses of one firm of counsel for all such indemnified persons, taken as a whole and, if relevant, of a single local counsel in each applicable jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all such indemnified persons, taken as a whole, and, solely in the case of a conflict of interest, where the indemnified person affected by such conflict notifies you of the existence of such conflict and thereafter retains its own counsel, another firm of counsel for such affected indemnified person) and other reasonable and documented out-of-pocket fees and expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent that they have arisen from the willful misconduct or gross negligence of such indemnified person or any of such indemnified person’s affiliates or any of its or their respective Controlled Related Parties (as defined below) or their successors (as determined by a final, non-appealable judgment of a court of competent jurisdiction), (ii) a material breach by such indemnified person or any of such indemnified person’s affiliates or any of its or their respective Controlled Related Parties of any of its or their respective obligations under this Commitment Letter (as determined by a final, non-appealable judgment of a court of competent jurisdiction pursuant to a claim initiated by you), including each Commitment Party’s obligations to fund the Credit Facilities on the Closing Date if so required in accordance with the provisions of this Commitment Letter or (iii) disputes solely between and among indemnified persons not arising from any act or omission of the Company or any of its affiliates (other than claims against an

indemnified person acting in its capacity as an agent or arranger or similar role under the Credit Facilities), and (b) regardless of whether the Closing Date occurs, to reimburse each Commitment Party and its affiliates from time to time, upon presentation of a summary statement, for all reasonable and documented out-of-pocket expenses (including but not limited to due diligence expenses, expenses of each Commitment Party's consultants' fees (to the extent any such consultant has been retained with your prior written consent (such consent not to be unreasonably withheld or delayed)), syndication expenses, travel expenses and reasonable fees, disbursements and other charges of a single counsel to the Commitment Parties and of a single local counsel to the Commitment Parties in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and of such other counsel retained with your prior written consent (such consent not to be unreasonably withheld or delayed)), in each case incurred in connection with the Credit Facilities and any related documentation (including this Commitment Letter and the Credit Documentation) or the administration, amendment, modification, waiver or enforcement thereof. It is further agreed that the Commitment Parties shall only have liability to you (as opposed to any other person).

No indemnified person shall be liable for any damages directly or indirectly arising from the use by others of Information or other materials obtained through electronic, telecommunications or other information transmission systems, including, without limitation, SyndTrak, Intralinks, the internet, email or similar electronic transmission systems, except to the extent any such damages are found by a final, non-appealable judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such indemnified person (or any of its Controlled Related Parties). None of the indemnified persons or you, the Target or any of your or their respective affiliates or the respective directors, officers, employees, advisors, agents or other representative of the foregoing or any successor or assign of the foregoing shall be liable for any indirect, special, punitive or consequential damages in connection with this Commitment Letter, the Fee Letters, the Credit Facilities or the transactions contemplated hereby, provided that nothing contained in this sentence shall limit your indemnity obligations to the extent set forth in this Section 7. The foregoing provisions in this Section 7 shall be superseded in each case, to the extent covered thereby, by the applicable provisions contained in the Credit Documentation upon execution thereof and thereafter shall have no further force and effect. As used above, a "Controlled Related Party" of any person or entity means (1) any controlling person or controlled affiliate of such indemnified person, (2) the respective directors, officers or employees of such indemnified person or any of its controlling persons or controlled affiliates and (3) the respective agents, advisors and representatives of such indemnified person or any of its controlling persons or controlled affiliates, in the case of this clause (3), acting on behalf of or at the instructions of such indemnified person, controlling person or such controlled affiliate; provided that each reference to a controlling person, controlled affiliate, director, officer or employee in this sentence pertains to a controlling person, controlled affiliate, director, officer or employee involved in the structuring, arrangement, negotiation or syndication of this Commitment Letter and the Credit Facilities.

8. Sharing of Information, Absence of Fiduciary Relationship, Affiliate Activities

You acknowledge that the Commitment Parties and their respective affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein and otherwise. You further acknowledge that each Commitment Party (or an affiliate) is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services and such person may from time to time provide investment banking and other financial services to, and effect transactions for, its own or its affiliates' account or the account of customers, and hold positions in loans, securities or options on loans or securities of you, the Target, your or the Target's respective affiliates, of other companies that may be the subject of the transactions contemplated by this Commitment Letter and of other companies with which you may have commercial or other relationships. You further acknowledge that no Commitment Party has any obligation to you or your

affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein or in any other express writing executed and delivered by such Commitment Party and you or any such affiliate (including the Credit Documentation). With respect to any securities and/or financial instruments so held by any Commitment Party (or an affiliate) or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. In addition, neither any Commitment Party nor any of its affiliates will use confidential information obtained from you or your affiliates or on your or their behalf by virtue of the transactions contemplated hereby in connection with the performance by such Commitment Party and its affiliates of services for other companies or persons and neither any Commitment Party nor any of its affiliates will furnish any such information to any of its other customers. You also acknowledge that each Commitment Party and its respective affiliates have no obligation to use in connection with the transactions contemplated hereby, or to furnish to you, confidential information obtained from other companies or persons.

Each Commitment Party may employ the services of its affiliates in providing certain services hereunder and, in connection with the provision of such services, may exchange with such affiliates information concerning you and the other companies that may be the subject of the transactions contemplated by this Commitment Letter, and, to the extent so employed, such affiliates shall be entitled to the benefits, and subject to the confidentiality obligations, of such Commitment Party hereunder.

Each Commitment Party is acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the Credit Facilities (including in connection with determining the terms of the Credit Facilities) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. The Company agrees that it will not assert any claim against any Commitment Party based on an alleged breach of fiduciary duty by such Commitment Party in connection with this Commitment Letter and the transactions contemplated hereby. The Company acknowledges and agrees that no Commitment Party is advising the Company as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and no Commitment Party shall have any responsibility or liability to the Company with respect thereto. Any review by the Commitment Parties of the Company, the Target, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Commitment Parties and their respective affiliates, and shall not be on behalf of the Company. It is understood that this paragraph shall not apply to or modify or otherwise affect any arrangement with any financial advisor separately retained by you or any of your affiliates in connection with the Acquisition, in its capacity as such.

9. Confidentiality

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter nor the Fee Letters nor any of their terms or substance shall be disclosed by you, directly or indirectly, to any other person except (a) you and your officers, directors, employees, affiliates, members, partners, stockholders, attorneys, accountants, agents and advisors and those of the Target and its subsidiaries and the Target itself, in each case, on a need-to-know basis, who are advised of the confidential nature of the information (provided that any disclosure of the Fee Letters or their terms or substance to the Target or its officers, directors, employees, attorneys, accountants, agents or advisors shall be redacted as to the amount of fees and other economic terms of the market flex provisions in a customary manner, unless the Commitment Parties shall otherwise agree), (b) in any legal, judicial or administrative proceeding or as otherwise required by applicable law or regulation or as requested by a governmental authority (in which case you agree, to the extent practicable and not prohibited by applicable law, to inform us promptly in advance thereof), (c) upon notice to the Commitment Parties, this Commitment Letter and the existence and contents hereof (but not the Fee Letters or the contents thereof),

other than the aggregate fee amount contained in the Fee Letters as part of the Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Credit Facilities or in any public or regulatory filing requirement (including any filing requirement of the SEC) relating to the Transactions) may be disclosed in any syndication or other marketing material in connection with the Credit Facilities or in connection with any public filing requirement, (d) the Term Sheets may be disclosed to Lenders and potential Lenders and to any rating agency in connection with the Acquisition and the Credit Facilities, (e) you may disclose this Commitment Letter and its contents (but not the Fee Letters or the contents thereof) to the extent that such information becomes publicly available other than by reason of disclosure by you in violation of any confidentiality obligations hereunder, (f) to enforce your rights hereunder or under the Fee Letters and (g) with the Commitment Parties' prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

Each Commitment Party shall use all nonpublic information received by it in connection with the Acquisition and the related transactions solely for the purposes of providing the services that are the subject of this Commitment Letter and shall treat confidentially all such information; provided, however, that nothing herein shall prevent any Commitment Party from disclosing any such information (a) to rating agencies, (b) to any Lenders or participants or prospective Lenders or participants (and such actual or prospective Lenders or participants shall also be permitted to receive the "Disqualified Lender" list and supplements thereto), (c) in any legal, judicial or administrative proceeding or other compulsory process or as required by applicable law or regulations (in which case such Commitment Party shall promptly notify you, in advance, to the extent permitted by law), (d) upon the request or demand of any governmental or regulatory authority having jurisdiction over such Commitment Party or its affiliates (in which case such Commitment Party agrees, to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority or regulation)), (e) to its affiliates and its and their employees, officers, directors, legal counsel, independent auditors, professionals and other experts or agents of such Commitment Party (collectively, "Representatives"), on a need-to-know basis, who are advised of the confidential nature of the information, (f) to the extent any such information becomes publicly available other than by reason of disclosure by such Commitment Party, its affiliates or Representatives in breach of this Commitment Letter or breach by any other party of any confidentiality obligation known by the Commitment Party to exist in favor of you, the Target or your or its affiliates, (g) to the extent applicable, for purposes of establishing a "due diligence" defense, (h) to the extent that such information is received by such Commitment Party, its affiliates or Representatives from a third party that is not known by such person to be subject to confidentiality obligations to you or your affiliates, (i) to enforce its respective rights hereunder or under the Fee Letters or (j) to the extent such information was independently developed by such Commitment Party without reliance on confidential information; provided that the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis on terms that are substantially identical to the terms set forth herein and in accordance with the standard syndication processes of each Commitment Party or customary market standards for dissemination of such type of information. Each Commitment Party's obligations under this paragraph shall remain in effect until the earlier of (x) the date that is two (2) years from the date hereof and (y) the date the Credit Documentation becomes effective, at which time our obligations under this paragraph shall automatically terminate and be superseded by the confidentiality provisions in the Credit Documentation upon the execution and delivery thereof.

This Commitment Letter shall not be assignable by any party hereto without the prior written consent of each other party hereto (which consent shall not be unreasonably withheld, conditioned or delayed) (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and the indemnified persons and is not intended to and does not confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the indemnified persons to the extent expressly set forth herein. Each Commitment Party reserves the right to employ the services of its affiliates in providing services contemplated hereby and to allocate, in whole or in part, to its affiliates certain fees payable to such Commitment Party in such manner as such Commitment Party and its affiliates may agree in their sole discretion, but subject in all respects to the terms of this Commitment Letter. This Commitment Letter may not be amended or waived except by an instrument in writing signed by you and each Commitment Party. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by facsimile or electronic transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letters are the only agreements that have been entered into among us and you with respect to the Credit Facilities and set forth the entire understanding of the parties with respect thereto. This Commitment Letter and any claim, controversy or dispute (whether arising in contract, equity, tort or otherwise) arising under or related to this Commitment Letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York; provided that the laws of Germany shall govern in determining whether the Acquisition has been consummated in accordance with the terms of the Purchase Agreement (in each case without regard to its rules of conflicts of law).

You and we hereby irrevocably and unconditionally submit to the exclusive jurisdiction of any Federal court sitting in the Borough of Manhattan in the City of New York (or in the event such courts lack subject matter jurisdiction, any New York State court sitting in the Borough of Manhattan in the City of New York), and in each case, any appellate court thereof, over any suit, action or proceeding arising out of or relating to the Transactions or the other transactions contemplated hereby, this Commitment Letter or the Fee Letters or the performance of services hereunder or thereunder. You and we agree that service of any process, summons, notice or document by registered mail addressed to you or us shall be effective service of process for any suit, action or proceeding brought in any such court. You and we hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in any inconvenient forum or otherwise based on lack of personal jurisdiction or improper venue. **YOU AND WE HEREBY IRREVOCABLY AGREE TO WAIVE TRIAL BY JURY IN ANY SUIT, ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THE TRANSACTIONS, THIS COMMITMENT LETTER OR THE FEE LETTERS OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.**

Each Commitment Party hereby notifies you that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law on October 26, 2001) (the "PATRIOT Act"), it and each of the Lenders is required to obtain, verify and record information that identifies the Company, the Target and their subsidiaries, which information includes names, addresses, tax identification numbers and other information that will allow each Commitment Party and each of the Lenders to identify the Company, the Target and their subsidiaries in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective for each Commitment Party and each Lender.

The indemnification, fee, expense, jurisdiction, waiver of jury trial, service of process, venue, governing law, sharing of information, no agency or fiduciary duty, syndication and confidentiality provisions contained herein and in the Fee Letters shall remain in full force and effect regardless of

whether the Credit Documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the commitments hereunder; provided that your obligations under this Commitment Letter (other than your obligations with respect to (a) assistance to be provided in connection with the syndication thereof (including as to the provision of Information and representations with respect thereto) and (b) confidentiality of the Fee Letters and the contents thereof) shall automatically terminate and be superseded, to the extent comparable, by the provisions of the Credit Documentation upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time, in each case to the extent the Credit Documentation has comparable provisions with comparable coverage. You may terminate this Commitment Letter and each Commitment Party's commitments hereunder in full (but not in part) at any time subject to the provisions of the preceding sentence.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and the Fee Letters by returning to us executed counterparts of this Commitment Letter and the Fee Letters not later than 11:59 p.m., New York City time, on September 18, 2018. Each Commitment Party's commitments and agreements hereunder, will automatically expire at such time if we have not received such executed counterparts in accordance with the preceding sentence. In the event that we receive your executed counterparts to this Commitment Letter and the Fee Letters in accordance with this paragraph and the initial funding under the Credit Facilities does not occur on or before the Expiration Date (as defined below), then this Commitment Letter and the commitments hereunder shall automatically terminate unless we shall, in our discretion, agree in writing to an extension; provided that any termination of the Commitment Letter and the commitments hereunder shall not prejudice your or our rights and remedies with respect to any breach of this Commitment Letter that occurred prior to such termination. "Expiration Date" means the earliest of (i) 5:00 p.m., New York City time, on the date that is six (6) months after the date of the Purchase Agreement, (ii) the closing of the Acquisition with or without the use of the Credit Facilities, (iii) the termination of the Purchase Agreement prior to closing of the Acquisition or the termination of your (or any of your affiliates') obligations under the Purchase Agreement to consummate the Acquisition, in each case, in accordance with the terms thereof.

[Signature Page Follows]

We are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: /s/ James R. Dolphin
Name: James R. Dolphin
Title: Managing Director

BARCLAYS BANK PLC

By: /s/ Brad Aston
Name: Bradford Aston
Title: Managing Director

[Signature Page to Commitment Letter]

Accepted and agreed to as of the date first written above:

THOR INDUSTRIES, INC.

By: /s/ W. Todd Woelfer

Name: W. Todd Woelfer

Title: Sr. V.P., General Counsel &
Corporate Secretary

[Signature Page to Commitment Letter]

Exhibit A

PROJECT VISION

TRANSACTION SUMMARY

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the Commitment Letter to which this Exhibit A is attached and in Exhibits B, C and D thereto.

Thor Industries, Inc. (the “Company”) intends to acquire (the “Acquisition”) all of the outstanding equity interests of a company previously identified to us as “Vision” (the “Target”) pursuant to a Sale and Purchase Agreement dated as of September 18, 2018 (together with all exhibits, schedules, disclosure letters and attachments thereto, the “Purchase Agreement”), among a wholly owned subsidiary of the Company, as Purchaser, the Company, as Guarantor, and the Sellers (as defined therein) party thereto. In connection therewith, it is intended that:

(a) The Company will obtain (i) a senior secured term loan facility in an aggregate principal amount of \$1,780 million denominated in U.S. dollars (plus (A) in the event any “flex” original issue discount or upfront fees are applied pursuant to the Arranger Fee Letter, an amount sufficient to fund such flex, and (B) such additional amount as may be required pursuant to the final sentence of this clause (a)) (the “USD Term Loan Facility”) and (ii) a senior secured term loan facility in a mutually agreeable aggregate principal amount of the Euro equivalent of up to \$500 million denominated in Euro (the “Euro Term Loan Facility”, and together with the USD Term Loan Facility, the “Term Loan Facility” and, together with the ABL Facility, the “Credit Facilities”). In the event that the Euro Term Loan Facility is less than the Euro equivalent of \$500 million, the USD Term Loan Facility shall be increased by an amount equal to \$500 million less the size of the Euro Term Loan Facility.

(b) The Company will obtain a senior secured asset-based revolving credit facility (the “ABL Facility”) in an aggregate principal amount of \$750 million, as described in Exhibit C.

(c) The Company will directly or indirectly issue shares of common stock of the Company to the Sellers with a value equal to at least 10% of the aggregate purchase price under the Purchase Agreement (the “Equity Contribution”).

(d) All existing indebtedness for borrowed money under (i) the Credit Agreement, dated as of June 30, 2016 (as previously amended, the “Existing Credit Agreement”), among the Company, as borrower, the other subsidiaries of the Company from time to time party thereto as borrowers and guarantors, each lender from time to time a party thereto, and BMO Harris Bank N.A., as administrative agent, (ii) the syndicated loan agreement dated December 18, 2017 entered into between, among others, Erwin Hymer Group AG & Co. KG (“EHG”) and Rental Alliance GmbH (“REN”) as borrowers, EHG, REN and other Companies as guarantors, Deutsche Bank Luxembourg S.A. as facility agent and several financial institutions as lenders providing for a revolving credit facility in the amount of EUR 300,000,000 and (iii) certain indebtedness of the Target and its subsidiaries mutually agreed by the Company and the Commitment Parties after the date hereof (other than Permitted Debt), in each case, will be refinanced or repaid in full and arrangements for the concurrent release of all related guarantees and liens shall be made (the “Refinancing”).

(e) The proceeds of the Credit Facilities and certain other consideration payable by the Borrower shall be applied (i) to pay the purchase price in connection with the Acquisition, (ii) to pay the fees, costs and expenses incurred in connection with the Transactions and (iii) to consummate the Refinancing (the amounts set forth in clauses (i) through (iii) above, collectively, the “Transaction Costs”), with any remaining proceeds being used for working capital needs and for general corporate purposes of the Company.

The transactions described above are collectively referred to herein as the “Transactions”. For purposes of this Commitment Letter and the Fee Letters, “Closing Date” shall mean the date of the satisfaction (or waiver by each Commitment Party) of the conditions set forth in Exhibit D and the initial funding of the relevant Credit Facilities.

PROJECT VISION
TERM LOAN FACILITY
Summary of Terms and Conditions

Set forth below is a summary of the principal terms and conditions for the Term Loan Facility. Capitalized terms used but not defined shall have the meanings set forth in the Commitment Letter to which this Exhibit B is attached and in Exhibits A, C and D attached thereto.

I. Parties

Borrower:	Thor Industries, Inc. (the “ <u>Borrower</u> ”).
Joint Lead Arrangers and Joint Bookrunners:	JPMorgan Chase Bank, N.A. (“ <u>JPMorgan</u> ”) and Barclays Bank PLC (“ <u>Barclays</u> ”, and together with JPMorgan, in such capacity, the “ <u>Lead Arrangers</u> ”).
Term Loan Administrative Agent:	JPMorgan (in such capacity, the “ <u>Term Loan Administrative Agent</u> ” and, together with the ABL Administrative Agent, the “ <u>Administrative Agents</u> ”).
Lenders:	A syndicate of banks, financial institutions and other entities, including JPMorgan, arranged by the Lead Arrangers (collectively, the “ <u>Lenders</u> ”).

II. Term Loan Facility

Type and Amount of Facility:	A seven-year term loan B facility (the “ <u>USD Term Loan Facility</u> ”) in the amount of \$1,780 million denominated in U.S. dollars (with flexibility to increase size of Term Loan Facility to (i) cover OID/upfront fees from market flex provisions of Arranger Fee Letter and (ii) such additional amount as may be required pursuant to the final sentence of this “Type and Amount of Facility” section) (the loans thereunder, the “ <u>Initial USD Term Loans</u> ”).
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A seven-year term loan B facility (the “Euro Term Loan Facility” and together with the USD Term Loan Facility, the “Term Loan Facility”) in a mutually agreeable amount (to be determined at the time of the launch of primary syndication) of the Euro equivalent of up to \$500 million denominated in Euros (the loans thereunder, the “Initial Euro Term Loans” and together with the Initial USD Term Loans, the “Initial Term Loans”; together with term loans under the Incremental Term Facilities, the “Term Loans”).

In the event that the Euro Term Loan Facility is less than the Euro equivalent of \$500 million, the USD Term Loan Facility shall be increased by an amount equal to \$500 million less the size of the Euro Term Loan Facility.

Availability:	The Initial Term Loans shall be made in a single drawing on the Closing Date. Repayments and prepayments of the Initial Term Loans may not be reborrowed.
Maturity and Amortization:	The Initial Term Loans will mature on the date that is seven (7) years after the Closing Date (the “ <u>Term Loan Maturity Date</u> ”). The Initial Term Loans shall be repayable in equal quarterly installments in an aggregate annual amount equal to 1% of the original amount of the Term Loan Facility. The balance of the Initial Term Loans will be repayable on the Term Loan Maturity Date.

III. Purpose; Certain Payment Provisions

Purpose:	The proceeds of the Initial Term Loans shall be used to finance the Transaction Costs.
Fees and Interest Rates:	As set forth on <u>Annex I</u> .
Mandatory Prepayments:	The “Term Credit Documentation” (as defined below) will contain mandatory prepayment provisions that will require prepayments of amounts equal to: (a) 100% of the net cash proceeds of any incurrence of debt after the Closing Date by the Borrower or any of its subsidiaries, other than indebtedness permitted under the Term Credit Documentation; (b) 100% of the net cash proceeds of any sale or other disposition (including as a result of casualty or condemnation) by the Borrower or any of its subsidiaries of any assets in excess of \$35 million, individually, or \$50 million, in the aggregate for each fiscal year, except for sales of inventory or obsolete or worn-out property in the ordinary course of business and subject to certain other customary exceptions (including customary reinvestment rights if reinvested within twelve (12) months of such sale or disposition (or committed to be reinvested within such period and reinvested within one hundred eighty (180) days after the end of such twelve (12) month period)) consistent with the Documentation Principles; and (c) 50% of Excess Cash Flow (as defined below) for each fiscal year of the Borrower (commencing with the first full fiscal year ending after the Closing Date), subject to step-down to 25% when the Senior Secured Net Leverage Ratio (as defined below) is less than or equal to 2.50 to 1.00 and greater than 2.00 to 1.00 and step-down to 0% when the Senior Secured Net Leverage Ratio is less than or equal to 2.00 to 1.00

(collectively, an “ ECF Prepayment ”); provided that (i) voluntary prepayments of the Term Loans (including loans under any Incremental Term Facility (as defined below), Incremental Equivalent Debt (to be defined in the Term Credit Documentation consistent with the Documentation Principles), Refinancing Term Facilities (as defined below) and Refinancing Equivalent Debt (to be defined in the Term Credit Documentation consistent with the Documentation Principles) (in each case, secured by the Collateral on a *pari passu* basis with the Term Loan Facility)), the loans under the ABL Facility (including any incremental ABL Facility and permitted refinancing indebtedness thereof and to the extent accompanied by a corresponding reduction of the commitment) made during such fiscal year and, at the option of the Borrower (and without counting such amounts against the subsequent fiscal year’s Excess Cash Flow calculation), after year-end and prior to the time such Excess Cash Flow prepayment is due, will reduce the amount of Excess Cash Flow prepayments required for such fiscal year on a dollar-for-dollar basis (which, in the case of loans prepaid at a discount to par, will be limited to the actual amount of cash paid to Lenders in connection with such prepayment (as opposed to the face amount of the loans so prepaid)) (in each case, to the extent financed with Internally Generated Cash (to be defined in the Term Credit Documentation consistent with the Documentation Principles)) and (ii) Excess Cash Flow shall be reduced for, among other things, cash used for capital expenditures (including planned capital expenditures subject to the Contracted Amount Provisions), certain permitted investments (including Permitted Acquisitions (as defined below) and contracted investments and acquisitions so long as (A) such amounts are contractually committed within the next twelve (12) months, (B) such amounts are utilized (and, for the avoidance of doubt, shall not be deducted when used) during such twelve (12) month period and (C) any amounts not utilized during such twelve (12) month period shall be included in the calculation of Excess Cash Flow for such fiscal year, the foregoing clauses (A), (B) and (C), the “ Contracted Amounts Provisions ”), permitted regular dividends and certain other restricted payments (including such restricted payments consistent with the Documentation Principles), in each case, made during such fiscal year and, at the option of the Borrower (and without counting such amounts against the subsequent fiscal year’s Excess Cash Flow calculation), made prior to the date of such Excess Cash Flow prepayment or committed to be made during such fiscal year or prior to the date of such Excess Cash Flow prepayment (in each case, to the extent financed with Internally Generated Cash) (with any shortfall in actual expenditures below the amount committed and deducted in any prior calculation period added back to Excess Cash Flow in the subsequent calculation period).

Notwithstanding the foregoing, the Term Credit Documentation will provide that in the event any indebtedness is incurred that is secured by the Collateral on a *pari passu* basis with the Term Loan Facility, such indebtedness may share in any prepayments made in respect of such facility or facilities sharing such Collateral required by the foregoing provisions (to the extent that such prepayments are required by the documentation governing such facility or facilities) on no more than a ratable basis, subject to certain exceptions consistent with the Documentation Principles.

Mandatory prepayments of the Term Loans may not be reborrowed. Mandatory prepayments shall be applied pro rata to the outstanding Term Loan Facilities. Within each Term Loan Facility, mandatory prepayments shall be applied to the scheduled installments of principal of such Term Loan Facility in direct order of maturity thereof. Mandatory prepayments shall be subject to (i) customary limitations to the extent required to be made from cash at foreign restricted subsidiaries, the repatriation of which would result in material adverse tax consequences (as reasonably determined in good faith by the Borrower) or would be prohibited or restricted by applicable law and (ii) customary provisions related to the payment of *pari passu* indebtedness.

Any Lender under the Term Loan Facility may elect not to accept its pro rata portion of any mandatory prepayment of the Term Loans (other than refinancing debt) (each a “Declining Lender”). Any such prepayment amount declined by a Declining Lender (“Declined Amounts”) may be retained by the Borrower and shall increase the Cumulative Available Amount.

Excess Cash Flow:

To be defined in a usual and customary manner consistent with the Documentation Principles, but to include, without duplication: Consolidated EBITDA plus/minus (i) any changes in working capital minus (ii) the sum of the following:

- Unfinanced capital expenditures;
- Scheduled repayments of debt;
- Interest expense;
- Taxes and distributions for taxes;
- Permitted Acquisitions;
- Certain permitted investments;
- Permitted regularly scheduled dividends; and
- Other cash charges included as add-backs in definition of Consolidated EBITDA.

There shall also be included a carve-out for obligations to make acquisitions subject to binding agreements and any capital expenditures to be made, in either case, in next twelve (12) months, subject to reversal of such deduction if any amount is not actually expended within such twelve (12) month period. Excess Cash Flow deductions shall be limited in a customary manner to the extent not financed with Internally Generated Cash.

Consolidated EBITDA:

Consolidated EBITDA shall be defined in a usual and customary manner consistent with the Documentation Principles (and calculated pro forma for applicable acquisitions and dispositions), and shall include (without limitation) the following addbacks (or exclusions) from Consolidated Net Income (as defined below) (without duplication):

- (i) interest expense;
- (ii) income taxes;
- (iii) depreciation and amortization;
- (iii) fees, expenses, premiums and other charges related to the issuance of equity or debt (including this transaction, amendments, modifications, refinancing, as well those undertaken but not completed);
- (iv) fees, expenses and other charges related to Permitted Acquisitions, permitted investments or permitted dispositions (including those undertaken but not completed);
- (v) any losses or expenses that are extraordinary, unusual or non-recurring (including losses on sale of equipment or businesses outside the ordinary course of business);
- (vi) any non-cash expenses, losses, charges or impairments including stock-based compensation and LIFO reserves established during such period;
- (vii) non-recurring cash expenses for restructuring charges or expenses, integration expenses, accruals, reserves and business optimization expenses;
- (viii) net unrealized losses on hedge agreements;
- (ix) (A) net cost savings and operating expense reductions actually implemented by the Borrower or related to a Permitted Acquisition which have been taken or will be taken within eighteen (18) months from the applicable closing date and (B) synergies projected to be realized as a result of actions taken, so long as (A) and (B) are reasonably identifiable and factually supportable; (Minus)
- (i) unusual, extraordinary or non-recurring gains;
- (ii) income tax credits or non-cash income (including gains on sale of equipment or businesses and LIFO reserves terminated during such period); and
- (iii) net unrealized gains on hedge agreements.

Consolidated Net Income:

Consolidated Net Income shall be defined to mean, for any period, the net income (or loss) of the Borrower and its restricted subsidiaries determined on a consolidated basis for such period; provided that, without duplication:

- (i) the cumulative effect of a change in accounting principles shall be excluded;
- (ii) the net after-tax effect of extraordinary, non-recurring, unusual or exceptional gains, losses, charges and expenses, including any relating to or arising in connection with claims or litigation (including legal fees, settlements, judgments and awards), shall be excluded;
- (iii) the net after-tax effect of gains, losses, charges and expenses attributable to asset dispositions or the sale or other disposition of any equity interests of any person other than in the ordinary course of business, as determined in good faith by an authorized officer of the Borrower, shall be excluded;
- (iv) the net after-tax effect of gains, losses, charges and expenses attributable to disposed, discontinued, closed or abandoned operations and any net after-tax gains, losses, charges and expenses related to the disposal of disposed, abandoned, closed or discontinued operations shall be excluded;
- (v) the net after-tax effect of gains, losses, charges and expenses attributable to the early extinguishment or conversion of indebtedness, hedge agreements or other derivative instruments (including deferred financing expenses written off and premiums paid) shall be excluded;
- (vi) the net income for such period of any person that is an unrestricted subsidiary (as described below), or that is accounted for by the equity method of accounting, shall be excluded; provided that Consolidated Net Income shall be increased by the amount of dividends or distributions or other payments that are actually paid to the company or any restricted subsidiary thereof in respect of such period in cash or cash equivalents (or to the extent subsequently converted into cash or cash equivalents);
- (vii) the effects of adjustments (including the effects of such adjustments pushed down to the Borrower and its restricted subsidiaries) in any line item in such person's consolidated financial statements pursuant to GAAP resulting from the application of purchase accounting, as the case may be, in connection with the Transactions, any acquisition or any joint venture investments or the amortization or write off of any amounts thereof, net of taxes, shall be excluded;
- (viii) impairment and amortization charges, asset write offs and write downs (but excluding any write offs or write downs of inventory), including impairment and amortization charges, asset write offs and write downs related to goodwill, intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation, in each case, pursuant to GAAP shall be excluded;

(ix) non-cash compensation charges and expenses, including any such charges and expenses arising from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock, deferred stock or other rights or equity incentive programs and non-cash deemed finance charges in respect of any pension liabilities or other provisions shall be excluded;

(x) (A) charges and expenses pursuant to any management equity plan, long-term incentive plan or stock option plan or any other management or employee benefit plan or agreement, any stock subscription or shareholder agreement and (B) charges, expenses, accruals and reserves in connection with the rollover, acceleration or payout of equity interests held by management of the Borrower or any of the restricted subsidiaries, in the case of each of (A) and (B) above, to the extent that (in the case of any cash charges and expenses) such charges, expenses, accruals and reserves are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of equity interests (other than mutually agreed upon disqualified stock) of the Borrower or any direct or indirect parent of the Borrower shall be excluded;

(xi) any non-cash loss, charge or expense relating to the incurrence of obligations in respect of an “earn out” or other similar contingent obligations (but only for so long as such loss, charge or expense remains a non-cash contingent obligation) shall be excluded;

(xii) the extent covered by insurance (including business interruption insurance) and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that (i) such coverage is not denied by the applicable carrier or indemnifying party in writing within 365 days and (ii) such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within 365 days), losses, charges, expenses, accruals and reserves with respect to liability or casualty events or business interruption shall be excluded;

(xiii) (A) non-cash or unrealized gains or losses in respect of obligations under hedge agreements or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of obligations under hedge agreements, and (B) gains or losses resulting from unrealized currency translation gains or losses related to currency re-measurements of indebtedness (including gains or losses resulting from (x) hedge agreements for currency exchange risk and (y) intercompany indebtedness) shall be excluded;

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- (xiv) non-cash interest and similar charges or expenses on defined benefit, defined contribution or other pension plans shall be excluded;
- (xv) any expenses or charges to the extent paid by a third party that is not a restricted subsidiary on behalf of the Borrower or a restricted subsidiary (and not required to be reimbursed), and any gain resulting from such payment, shall be excluded;
- (xvi) any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any investment, Permitted Acquisition or any sale, conveyance, transfer or other disposition of assets permitted under the Term Credit Facility, to the extent actually reimbursed, or, so long as the Borrower has made a determination that a reasonable basis exists for indemnification or reimbursement and only to the extent that such amount is in fact indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so indemnified or reimbursed within such 365 day period), shall be excluded,
- (xvii) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of FASB Accounting Standards Codification 712 and 715, Statement on Financial Accounting Standards Nos. 87, 106 and 112, as applicable, and any other items of a similar nature, shall be excluded;
- (xviii) non-recurring charges, expenses and fees incurred, including financial advisory, accounting, auditor, legal and other consulting and advisory fees and any or other filing fees and expenses, or any amortization thereof, in connection with any equity offering, acquisition, merger, amalgamation, investment, recapitalization, asset disposition, incurrence or repayment of indebtedness (including deferred financing expenses), refinancing transaction, restructuring or amendment or modification of any debt instrument (in each case, including in connection with the Transactions and any such transaction consummated prior to the Closing Date and any transaction undertaken but not completed) and any non-recurring charges and expenses (including non-recurring merger or amalgamation expenses) incurred as a result of any such transaction shall be excluded; and
- (xix) losses, charges and expenses relating to the Transactions paid within the six (6) months after the Closing Date (including, without limitation, any financial advisory fees, filing fees, accounting fees, legal fees and other similar advisory and consulting fees and related out of pocket expenses and other fees, discounts and commissions, including with regard to arranging or syndication) shall be excluded.

Voluntary Prepayments:

Permitted in whole or in part, with prior written notice but without premium or penalty (other than as set forth below), subject to a minimum amount of prepayment of \$500,000 and integral multiples of \$250,000 in excess of that amount and customary indemnification for breakage costs in the case of prepayment of “Eurodollar Loans” (as defined in Annex I) other than on the last day of a related interest period. Voluntary prepayments of the Term Loans shall be applied to installments thereof as directed by the Borrower (or absent such direction, in direct order of maturity thereof). Voluntary prepayments of the Term Loans may not be reborrowed.

Any (a) voluntary prepayment of the Term Loans using proceeds of widely syndicated term loan B facility incurred by the Borrower or any of its subsidiaries from a substantially concurrent incurrence of a widely syndicated term loan B facility for which the all-in yield (calculated as described under “Incremental Facilities and Refinancing Facilities” below) on the date of such prepayment is lower than the all-in yield on the date of such prepayment with respect to the Initial Term Loans on the date of such prepayment and (b) repricing of the Initial Term Loans pursuant to an amendment to the Term Credit Documentation resulting in the all-in-yield thereon on the date of such amendment being lower than the all-in-yield on the date immediately prior to such amendment with respect to the Term Loans on the date immediately prior to such amendment (including any “yank-a-bank” assignment in connection with any such amendment) shall be accompanied by a prepayment fee equal to 1.00% of the aggregate principal amount of such prepayment (or, in the case of clause (b) above, of the aggregate amount of Initial Term Loans outstanding immediately prior to such amendment) if made on or prior to the six-month anniversary of the Closing Date.

IV. Incremental Facilities and Refinancing Facilities

The Term Credit Documentation will permit the Borrower to add one or more incremental term loan facilities to the Term Loan Facility (each, an “Incremental Term Facility”); provided that (i) no Lender will be required to participate in any such Incremental Term Facility, (ii) the loans under any such Incremental Term Facility shall be secured by a *pari passu* lien on the Collateral securing the Term Loan Facility, (iii) no payment or bankruptcy event of default (as defined below) exists or would exist after giving effect thereto, (iv) the aggregate principal amount of the Incremental Term Facilities shall not exceed (A) \$800 million plus (B) any voluntary prepayments of Term Loans or loans under the ABL Facility (to the extent ABL Facility commitments are permanently reduced)

to the extent not financed with indebtedness) plus (C) an unlimited additional amount such that, in the case of this clause (C) only, after giving pro forma effect thereto (and any acquisition financed thereby but without netting any cash proceeds of such indebtedness), the Secured Net Leverage Ratio is no greater than 2.25 to 1.00, (v) the representations and warranties in the Term Credit Documentation shall be true and correct in all material respects immediately prior to, and after giving effect to, the incurrence of such Incremental Term Facility, (vi) the maturity date and weighted average life to maturity of any such Incremental Term Facility shall be no earlier than the maturity date and weighted average life to maturity, respectively, of the existing Term Loan Facility, (vii) the interest rates and amortization schedule applicable to any Incremental Term Facility shall be determined by the Borrower and the lenders thereunder; provided that, with respect to any Incremental Term Facility incurred during the period commencing on the Closing Date and ending on the date that is twelve (12) months after the Closing Date, the all-in-yield (whether in the form of interest rate margins, original issue discount, upfront fees or LIBOR/ABR floors) applicable to any Incremental Term Facility will not be more than 0.50% higher than the corresponding all-in-yield (giving effect to interest rate margins, original issue discount, upfront fees and LIBOR/ABR floors) for the existing Term Loan Facility, unless the interest rate margins with respect to the existing Term Loan Facility are increased by an amount equal to the difference between the all-in-yield with respect to the Incremental Term Facility and the corresponding all-in yield on the existing Term Loan Facility minus 0.50%, (viii) no Incremental Term Facility shall have greater obligors or collateral than the Term Loan Facility and (ix) any Incremental Term Facility shall be on terms and pursuant to documentation to be determined; provided further that, to the extent such terms and documentation are not consistent with the Term Loan Facility (except to the extent permitted by clause (vi) or (vii) above), they shall be reasonably satisfactory to the Term Loan Administrative Agent or, if such terms are more favorable to the holders of such Incremental Term Facility, an equivalent amendment shall be made to the Term Credit Documentation for the benefit of the existing Term Loan Facility (provided that if such amendment is required and benefits the Term Loan Facility, then it shall be reasonably satisfactory to the Term Loan Administrative Agent). The proceeds of the Incremental Term Facility may be used for working capital and other general corporate purposes of the Borrower and its subsidiaries, including Permitted Acquisitions, investments, debt repayments and other uses not prohibited by the Term Loan Facility. With respect to Permitted Acquisitions, the Incremental Term Facility shall be subject to limited conditionality provisions customary for a transaction of this type and reasonably acceptable to the Term Loan Administrative Agent.

Incremental Equivalent Debt may be incurred in lieu of loans under any Incremental Term Facility subject to customary limitations, including (a) same “most favored nation” pricing provisions set forth in the proviso to clause (vii) of the foregoing paragraph, (b) the maturity date of such Incremental Equivalent Debt will be no earlier than the maturity date of the Term Loan Facility, (c) the weighted average life to maturity of such Incremental Equivalent Debt may not be shorter than the remaining weighted average life to maturity of the Term Loan Facility, (d) the incurrence of such Incremental Equivalent Debt, after giving pro form effect thereto, is subject to (i) in the case of Incremental Equivalent Debt that is secured equally and ratably with the Term Loan Facility, a maximum Senior Secured Net Leverage Ratio of up to 2.25 to 1.00, (ii) in the case of Incremental Equivalent Debt that is secured on a junior lien basis, a maximum Senior Secured Net Leverage Ratio of up to 2.75 to 1.00 and (iii) in the case of Incremental Equivalent Debt that is unsecured, a maximum Total Net Leverage Ratio of 3.25 to 1.00.

The Term Credit Documentation will permit the Borrower to refinance loans under the Term Loan Facility and any Incremental Term Facility from time to time, in whole or in part, with (a) one or more new term loan credit facilities (each, a “Term Refinancing Facility”) under the Term Loan Facility Documentation with the consent of the Borrower, the Term Loan Facility Administrative Agent (not to be unreasonably withheld, delayed or conditioned) and the entities providing such Term Refinancing Facility, (b) one or more series of senior unsecured notes or term loans, (c) one or more series of senior secured notes or term loans that will be secured by the Collateral on an equal and ratable basis with the Term Loan Facility, which will be subject to the intercreditor arrangements provided for in the Term Credit Documentation, or (d) one or more series of junior lien notes or term loans that will be secured on a subordinated basis to the Term Loan Facility, which will be subject to the intercreditor arrangements provided for in the Term Credit Documentation (any such notes or loans, “Term Refinancing Notes”), subject, in each case, solely to the following terms and conditions: (i) no such Term Refinancing Facility or Term Refinancing Notes may mature prior to the maturity date of, or have a shorter weighted average life to maturity than, the loans under the Term Loan Facility or Incremental Term Facility being refinanced; (ii) no Term Refinancing Facility or Term Refinancing Notes may have an obligor that is not an obligor in respect of the Term Loan Facility; (iii) to the extent secured, no Term Refinancing Facility or Term Refinancing Notes may be secured by any assets that do not constitute Collateral; (iv) as reasonably

determined by the Borrower, the other terms and conditions of such Term Refinancing Facility or Term Refinancing Notes (excluding pricing and optional prepayment or redemption terms) must be substantially identical to, or not materially more favorable (taken as a whole) to the lenders providing such Term Refinancing Facility or Term Refinancing Notes, as applicable, than those applicable to the Term Loan Facility or Incremental Term Facility being refinanced are to the Lenders (except for covenants and other provisions applicable only to periods after the latest final maturity date of the Term Loan Facility or Incremental Term Loan Facility existing at the time of such refinancing) or must otherwise be reasonably satisfactory to the Term Loan Administrative Agent or, if such terms are more favorable to the holders of such Term Refinancing Facility, an equivalent amendment shall be made to the Term Credit Documentation for the benefit of the existing Term Loan Facility (provided that if such amendment is required and benefits the Term Loan Facility, then it shall be reasonably satisfactory to the Term Loan Administrative Agent); (v) the amount of such Term Refinancing Facility or Term Refinancing Notes will be in an amount not in excess of the amount of loans and commitments refinanced plus fees, expenses and premiums payable in connection therewith; and (vi) the proceeds of such Term Refinancing Facility or Term Refinancing Notes shall be applied, substantially concurrently with the incurrence thereof, to the pro rata prepayment of outstanding loans under the applicable Term Loan Facility being so refinanced; and provided further that in no event shall Term Refinancing Facility or Term Refinancing Notes be permitted to be voluntarily or mandatorily prepaid prior to the repayment in full of all Term Loan Facility, unless accompanied by a ratable prepayment of the Term Loan Facility. The Term Refinancing Facilities and Term Refinancing Notes will not be subject to any “most favored nation” pricing provisions.

V. Collateral and Other Credit Support

Collateral:

The Term Loan Facility will be secured by substantially all assets of the Loan Parties (as defined below), whether consisting of real, personal, tangible or intangible property, including all of the outstanding equity interests of the Borrower’s subsidiaries (collectively, the “Collateral”), subject to exceptions and limitations consistent with the Documentation Principles. The Collateral will also secure the ABL Facility. The liens securing the Term Loan Facility will be first priority in the case of ‘Term Priority Collateral’ (as defined below) and second priority in the case of “ABL Priority Collateral” (each as defined below).

“Term Priority Collateral” means all Collateral other than ABL Priority Collateral.

“ ABL Priority Collateral ” means all of the Loan Parties’ present and after acquired cash, accounts receivable, credit card receivables, inventory, deposit accounts (other than deposit accounts in which net cash proceeds from the sale of non-ABL Priority Collateral are deposited pending reinvestment), securities accounts, commodities accounts, instruments, documents, chattel paper, books and records, and all proceeds relating to the foregoing.

Notwithstanding anything to the contrary, the Collateral shall exclude the following: (a) assets subject to certificates of title, letter of credit rights other than “supporting obligations” as defined in the UCC and commercial tort claims other than claims with a value as set forth in the Term Credit Documentation, for which a claim has been filed in a court of competent jurisdiction; (b) “margin stock” (within the meaning of Regulation U) and pledges and security interests prohibited by applicable law, rule or regulation or agreements with any governmental authority; (c) equity interests in any person other than the Guarantors to the extent such person is not a wholly owned subsidiary and such pledge is not permitted by the terms of such subsidiary’s organizational or joint venture documents, in each case, after giving effect to the applicable anti-assignment provisions of the UCC; (d) equity interests in unrestricted subsidiaries; (e) any lease, license, contract or other agreement or document or any property subject to a purchase money security interest or similar arrangement not prohibited by the Term Credit Documentation to the extent that a grant of a security interest therein would require the consent of a third party, violate or invalidate such lease, license, contract agreement, document or purchase money arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a subsidiary) after giving effect to the applicable anti-assignment provisions of the UCC (other than the proceeds and receivables thereof the assignment of which is expressly deemed effective under the UCC); (f) those assets as to which the Term Loan Administrative Agent and the Borrower reasonably agree in writing that the cost, burden, difficulty or consequence of obtaining such a security interest or perfection thereof is excessive in relation to the benefit to the Lenders of the security to be afforded thereby; (g) assets of any subsidiary that is prohibited by applicable law, rule or regulation or, to the extent listed on a schedule detailing what is excluded, by any contractual obligation existing on the Closing Date (or, if later, the date it becomes a restricted subsidiary) from pledging assets to secure the Term Loan Facility or for which governmental (including regulatory) consent, approval, license or authorization would be required for a pledge of such assets unless such consent, approval, license or authorization has been received; (h) assets to the extent a security interest in such assets would result in an investment in “United States property” by a controlled foreign corporation within the meaning of sections 956

and 957 of the Internal Revenue Code and the Treasury regulations thereunder (a “CFC”) or would otherwise result in a material adverse tax consequence, as reasonably determined by the Borrower and in consultation with the Term Loan Administrative Agent; and (i) any intent-to-use trademark application filed in the United States Patent and Trademark Office pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. Section 1051, prior to the accepted filing of a “Statement of Use” and issuance of a “Certificate of Registration” pursuant to Section 1(d) of the Lanham Act or an accepted filing of an “Amendment to Allege Use” whereby such intent-to-use trademark application is converted to a “use in commerce” application pursuant to Section 1(c) of the Lanham Act and any other intellectual property in any jurisdiction where such pledge or security interest would cause the invalidation or abandonment of such intellectual property under applicable law (the foregoing described in clauses (a) through (i) are, collectively, the “Excluded Assets”); provided, that the Excluded Assets shall include additional exclusions consistent with the Documentation Principles.

Intercreditor Agreement:

The lien priority, relative rights and other creditors’ rights issues in respect of the ABL Facility and the Term Loan Facility will be set forth in a customary intercreditor agreement (the “Intercreditor Agreement”), which shall be reasonably satisfactory to the Borrower, the Term Loan Administrative Agent and the ABL Administrative Agent.

Guarantees:

Subject to the limitations set forth herein, all of the indebtedness, obligations and liabilities of the Borrower arising under or in connection with the Term Credit Documentation shall be guaranteed by the direct and indirect wholly-owned domestic subsidiaries of the Borrower (the “Guarantors”); the Borrower and the Guarantors are collectively referred to herein as the “Loan Parties”).

Notwithstanding anything herein to the contrary, at no time will the Guarantors include (a) unrestricted subsidiaries, (b) Immaterial Subsidiaries (as defined below), (c) joint ventures, if any, to the extent a guaranty is prohibited by its organizational documents (d) any subsidiary that is prohibited or restricted by applicable law, rule or regulation or by any contractual obligation listed on a schedule and existing on the Closing Date (or, if later, the date it becomes a restricted subsidiary) from guaranteeing the Term Loan Facility or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guarantee unless such consent, approval, licensor authorization has been received, (e) any subsidiary whose provision of a guarantee would constitute an investment in “United States property” by a CFC or otherwise result in a material adverse tax consequence to the Borrower or one of its subsidiaries as reasonably determined by the Borrower in

consultation with the Term Loan Administrative Agent, (f) any subsidiary owned directly or indirectly by a CFC whose provision of a guarantee would constitute an investment in “United States property” by a CFC, (g) any domestic subsidiary that is a disregarded entity for United States federal income tax purposes and substantially all of whose assets consist (directly or indirectly through disregarded entities) of the capital stock or debt of CFCs any subsidiary whose provision of a guarantee would constitute an investment in “United States property” by a CFC, (h) not-for-profit subsidiaries and captive insurance companies, if any, and (i) any restricted subsidiary acquired pursuant to a Permitted Acquisition financed with indebtedness permitted to be incurred pursuant to the Term Credit Documentation as assumed indebtedness and any restricted subsidiary thereof that guarantees such indebtedness, in each case to the extent such secured indebtedness prohibits such subsidiary from becoming a Guarantor (collectively, the “Excluded Subsidiaries”).

Notwithstanding the foregoing, subsidiaries may be excluded from the guarantee requirements in circumstances where the Borrower and the Term Loan Administrative Agent reasonably agree that the cost (including any tax cost), burden, difficulty or consequence of providing such a guarantee is excessive in relation to the value afforded thereby.

“Immaterial Subsidiary” means, as of any date, any subsidiary of any Loan Party for which its consolidated assets determined in accordance with GAAP is less than 5% of consolidated total assets; provided that the consolidated total assets of all Immaterial Subsidiaries shall not exceed 10% of consolidated total assets determined in accordance with GAAP.

VI. Certain Conditions

Conditions Precedent:

The availability of the Term Loan Facility on the Closing Date shall be subject only to the conditions precedent set forth in Section 6 of the Commitment Letter and on Exhibit D to the Commitment Letter.

VII. Certain Documentation Matters

The definitive documentation for the Term Loan Facility (the “Term Credit Documentation” and, together with the ABL Credit Documentation, the “Credit Documentation”) shall be (i) consistent with this Term Sheet and shall contain those payments, mandatory prepayments, representations, warranties, covenants and events of default expressly set forth in this Term Sheet, (ii) will be based upon, and at least as favorable (except with respect to matters expressly set forth in the Commitment Letter) to the Borrower as, the TTM Technologies, Inc. Term Loan Credit Agreement dated May 31, 2015, as amended

(“ Documentation Precedent ”), but will (except with respect to matters expressly set forth in the Commitment Letter and modifications to reflect the non-ABL facility nature of the Term Credit Documentation) in no event be less favorable to the Borrower than the terms of the Existing Credit Agreement, with modifications consistent with the term sheet (including this paragraph) and customary modifications appropriate in view of the structure and intended use of the Term Loan Facility (including with respect to the timing and procedures for funding the Term Loan Facility on the closing date to facilitate the closing of the Transactions in accordance with the Purchase Agreement), (iii) reflect any changes in law or accounting standards (or in the interpretation thereof) since the date of the Documentation Precedent as reasonably agreed by the Borrower and the Lead Arrangers, (iv) be negotiated in good faith to finalize the Term Credit Documentation, giving effect to the conditions precedents and limited conditionality provisions set forth in the Commitment Letter, (v) include modifications as are necessary to reflect the operational and strategic requirements of the Borrower and its subsidiaries (after giving effect to the Transactions) in light of their size, total assets, geographic locations, industry (and risks and trends associated therewith), businesses, business practices, operations and projections and (vi) are otherwise mutually agreed upon by the Borrower and the Lead Arrangers (the foregoing clauses (i) through (vi), collectively, the “ Documentation Principles ”).

The Term Credit Documentation shall contain the following representations, warranties, covenants and events of default, that will be applicable to the Borrower and its restricted subsidiaries (or, in the case of certain customary representations, warranties and affirmative covenants, all subsidiaries), customary for financings of this type and subject to exceptions, as appropriate, to be mutually agreed upon, in each case, consistent with the Documentation Principles:

Representations and
Warranties:

Financial statements; no material adverse change; existence and standing, authorization and validity; compliance with law, including, without limitation, anti-corruption laws relating to bribery or corruption (“Anti-Corruption Laws.”) and economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the (a) 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, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority (“Sanctions.”); corporate power and authority; enforceability of Term Credit Documentation; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; liens; intellectual property; no burdensome restrictions; taxes; insurance; Federal Reserve regulations; ERISA; Investment Company Act; subsidiaries; environmental matters; labor matters; accuracy of disclosure; and no EEA financial institution.

Affirmative Covenants:	Delivery of quarterly unaudited and annual audited financial statements, annual projections (one (1) year budget), and other information (within 45/90/90 days or such later date as otherwise permitted by the SEC, if applicable, for delivery of quarterlies, annuals and projections, respectively); payment of obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions; accuracy of information; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws; casualty and condemnation; use of proceeds, including in compliance with Anti-Corruption Laws and Sanctions; and use of commercially reasonable efforts to obtain and maintain public corporate credit and public corporate family ratings of the Term Loan Facility (but, in each case, not to maintain a specific rating).
Financial Covenants:	None.
Negative Covenants:	Limitations (subject to exceptions, as appropriate, to be negotiated and including the specific exceptions set forth herein, with applicable grower baskets to be based on either an equivalent percentage of Consolidated EBITDA or consolidated total assets, as determined by the Borrower prior to launch of general syndication) on: • indebtedness (including guarantee obligations), including but not limited to exceptions for indebtedness (a) under the ABL Facility up to the greater of (i) \$900.0 million or (ii) (x) 85% of eligible accounts plus (y) 85% of eligible inventory, (b) under the Incremental Term Facility (including Incremental Equivalent Debt), (c) existing on the Closing Date and scheduled and any permitted refinancing thereof, (d) under permitted refinancing facilities, (e) incurred in connection with a purchase money security interest, capital lease obligation or other similar arrangements up to the greater of (i) \$85 million or (ii) an equivalent grower basket, (f) incurred or acquired in connection with an acquisition permitted under the Term Credit Documentation subject to, after giving pro forma effect thereto, either (i) a maximum Total Net Leverage Ratio of 2.75 to 1.00 or (ii) the Total Net Leverage Ratio is less than or equal to the Total Net Leverage Ratio immediately prior to giving effect to such

incurrence and all transactions in connection therewith, (g) from usual and customary earnout obligations including purchase price adjustments, (h) incurred by restricted subsidiaries that are not Loan Parties up to the greater of (i) \$150 million or (ii) an equivalent grower basket, (i) in respect of contribution debt up to 100% of net cash proceeds of equity issuances and cash contributions, (j) in the form of standby repurchase obligations on dealer inventory financing in the ordinary course of business, (k) incurred in connection with receivables and factoring agreements and wholesale financing consistent with the Target's past practices, (l) that is secured on a junior lien basis subject to, on a pro forma basis, a maximum Secured Net Leverage Ratio of 2.75 to 1.00 and other customary terms consistent with the Documentation Principles, (m) not otherwise covered under the other indebtedness baskets (i) up to \$250 million or (ii) an equivalent grower basket, (n) on an unlimited basis, so long as (i) such indebtedness is either unsecured or subordinated, (ii) no event of default (as defined below) has occurred and is continuing prior to or after giving effect to such indebtedness, (iii) the Total Net Leverage Ratio is, on a pro forma basis, no greater than 3.25 to 1.00 and (v) in the case of restricted subsidiaries that are not Loan Parties, such indebtedness shall not exceed the greater of (i) \$150.0 million or (ii) equivalent grower basket, (o) other existing indebtedness of Target and its subsidiaries that by its terms cannot be prepaid without consent of the lender thereof and which remains outstanding on the Closing Date (the "Continuing External Debt") and (p) other usual and customary exceptions consistent with the Documentation Principles;

- liens, including, but not limited to, exceptions for liens (a) under the ABL Facility securing up to an amount equal to the amount permitted under the equivalent indebtedness basket, (b) the Incremental Term Facility (including any Incremental Equivalent Debt), (c) liens existing on the Closing Date and scheduled, (d) securing permitted refinancing indebtedness, (e) any purchase money security interest, capital lease obligation or other liens securing similar arrangements in an amount equal to the equivalent indebtedness basket, (f) liens incurred or acquired in connection with an acquisition permitted under the Term Credit Documentation (limited to existing liens on acquired assets, not incurred in contemplation of acquisition), (g) incurred by restricted subsidiaries that are not Loan Parties solely on their assets, that secure up to an amount equal to the equivalent indebtedness basket, (h) on equity interests in

joint ventures securing obligations thereof, (i) securing receivables and factoring agreements and wholesale financing consistent with the Target's past practices, provided such liens are on the property the subject thereof and are subject to customary limitations to be agreed, (j) that are junior liens subject to, on a pro forma basis, a maximum Secured Net Leverage Ratio of 2.75 to 1.00 and subject to customary terms consistent with the Documentation Principles, (k) for procurement of chassis in the ordinary course of business, (l) not otherwise covered under the other lien baskets up to the greater of (i) \$150 million (ii) and an equivalent grower basket and (m) other usual and customary exceptions consistent with the Documentation Principles;

- sales of assets, including, but not limited to, exceptions for (a) dispositions of assets with fair market value not exceeding the greater of (i) \$100 million and (ii) an equivalent grower basket in aggregate per fiscal year, (b) dispositions in connection with receivables and factoring agreements consistent with the Target's past practices, (c) unlimited dispositions for fair market value subject to (i), if fair market value of such disposed assets exceeds \$50 million, at least 75% of the consideration will be in the form of cash (or subject to the conversion into cash within one hundred (180) days), (ii) non-cash consideration will not exceed the greater of (x) \$100 million and (y) an equivalent grower basket and (iii) the proceeds received from such disposition will be subject to the mandatory prepayment provisions and (d) other usual and customary exceptions consistent with the Documentation Principles;
- payment of restricted payments (including dividends and other payments in respect of equity interests), including, but not limited to, exceptions for (a) regularly scheduled dividends (including share repurchases) not to exceed \$175 million per annum, with ability to carry over 25% from prior fiscal year (on a non-cumulative basis), (b) restricted payments up to the Cumulative Available Amount, subject to, on a pro forma basis, a maximum Total Net Leverage Ratio of 2.50 to 1.00, (c) restricted payments representing officer or other employee stock repurchases not to exceed \$20 million per annum, with ability to carry over for one fiscal year, (d) other restricted payments up to the greater of (i) \$150 million and (ii) an equivalent grower basket, (e) restricted payments in an unlimited amount subject to (i) no event of default having occurred and continuing prior to or after giving effect to such restricted payment and (ii) pro forma Total Net Leverage Ratio no greater than 2.00 to

1.00, (f) tax payments related to vesting of stock-based awards consistent with past practices of the Borrower and (g) other usual and customary exceptions consistent with the Documentation Principles;

- investments (including acquisitions, loans and advances), including, but not limited to, exceptions for (a) Permitted Acquisitions, (b) investments existing on the Closing Date and scheduled, (c) loans and other advances to employees not to exceed \$5 million outstanding at any time, (d) guarantees of indebtedness permitted under the Term Credit Documentation, (e) investments in restricted subsidiaries that are not Loan Parties up to the greater of (i) \$150 million and (ii) an equivalent grower basket, (f) investments in joint ventures and unrestricted subsidiaries up to the greater of (i) \$100 million and (ii) an equivalent grower basket, (g) investments in connection with receivables and factoring agreements and wholesale financing consistent with the Target's past practices; (h) investments up to the Cumulative Available Amount, subject to, on a pro forma basis, a maximum Total Net Leverage Ratio of 3.25 to 1.00, (i) unlimited investments so long as (i) no event of default having occurred and continuing prior to or after giving effect to such investment and (ii) the Total Net Leverage Ratio is, on a pro forma basis, no greater than 2.75 to 1.00, (j) investments not otherwise covered under the other investment baskets up to the greater of (i) \$250 million and (ii) an equivalent grower basket and (k) other usual and customary exceptions consistent with the Documentation Principles;

“ Permitted Acquisition ” means any acquisitions by the Borrower or any of its direct or indirect wholly owned restricted subsidiaries; provided that, (i) the target of the acquisition constituting a Permitted Business (to be defined consistent with the Documentation Principles) and such target becoming a Loan Party under the Term Credit Documentation and (ii) no payment or bankruptcy event of default has occurred and is continuing prior to or after giving effect to such investment.

- optional payments and modifications of subordinated and other debt instruments, including, but not limited to, exceptions for (a) regularly scheduled payments of principal and interest, (b) payments up to the Cumulative Available Amount, subject to, on a pro forma basis, a maximum Total Net Leverage Ratio of 2.50 to 1.00, (c) other payments up to the greater of (i) \$100 million and (ii) an equivalent grower basket, (d) unlimited payments subject to (i) no event of default having occurred and

continuing prior to or after giving effect to such payment or modification and (ii) the Total Net Leverage Ratio being no greater than 2.25 to 1.00, (e) payments (including prepayments) with respect to Continuing External Debt and (f) other usual and customary exceptions consistent with the Documentation Principles;

- mergers, consolidations, liquidations and dissolutions;
- sale and leaseback transactions;
- swap agreements;
- transactions with affiliates;
- changes in fiscal year;
- negative pledge clauses and other restrictive agreements; and
- amendment of material documents.

Subject to customary limitations, the indebtedness, liens, investments, restricted payments and restricted debt payments covenants shall permit the re-classification of amounts among baskets.

“ Cumulative Available Amount ” means \$150 million plus (a) the sum of (i) 100% of net cash proceeds from qualified equity (including conversions of debt to qualified equity), plus (ii) at the option of the Borrower (such option to be exercised on or prior to the commencement of general syndication of the Term Loan Facility) either (x) retained Excess Cash Flow or (y) 50% of Consolidated Net Income, plus (iii) the amount of any investment made after the Closing Date using the Cumulative Available Amount that is (A) returned in cash from partial or total sale of such investment or (B) returns, repayments, profits, dividends or interest received in cash therefrom; provided that, the amounts described in (iii) (A) and (B) shall be capped at an amount equal to the Cumulative Available Amount used to make such investment, plus (iv) any Declined Amounts plus (v) distributions from joint ventures (without duplication with (iii)) not in excess of the amount of the Cumulative Available Amount used to make such investments in such joint venture, less (b) the aggregate amount of investments, restricted payments and junior debt payments made using the Cumulative Available Amount.

“ Secured Net Leverage Ratio ” shall be defined as the ratio of (i) total senior secured debt less unencumbered cash on hand to (ii) Consolidated EBITDA.

“Total Net Leverage Ratio” shall be defined as the ratio of (i) total debt less unencumbered cash on hand to (ii) Consolidated EBITDA.

Unrestricted Subsidiaries:

The Term Credit Documentation will contain provisions pursuant to which, subject to limitations on loans, advances, guarantees and other investments in unrestricted subsidiaries, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary, in each case so long as, after giving pro form effect thereto, no event of default has occurred and is continuing and such designation as a restricted subsidiary would be permitted as a permitted investment. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenant or event of default provisions of the Term Credit Documentation and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with any financial metric contained in the Term Credit Documentation.

Events of Default:

Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period of five (5) business days; representations and warranties are incorrect in any material respect; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period to be agreed upon); cross-default to occurrence of a default (whether or not resulting in acceleration) under any other agreement governing indebtedness (other than the Continuing External Debt), in excess of an amount to be agreed upon, of the Borrower or any of its restricted subsidiaries; bankruptcy events; certain ERISA events; material judgments; any of the Term Credit Documentation shall cease to be in full force and effect or any Loan Party party thereto shall so assert; any interests created by the security documents shall cease to be enforceable and of the same priority purported to be created thereby; and a Change of Control (to be defined in the Term Credit Documentation consistent with the Documentation Principles) (after giving effect to applicable notice and cure periods, each an “event of default”).

In addition, it shall be an event of default under the Term Credit Documentation if the Borrower (or any of its affiliates) fails to comply with the “market flex” provisions of the Arranger Fee Letter or the marketing or information provisions of the Commitment Letter (including, without limitation, implementing amendments to the Credit Documentation to reflect the terms of the “market flex” provisions of the Arranger Fee Letter).

Voting:

Amendments, waivers and consents with respect to the Term Credit Documentation shall require the approval of Lenders holding not less than a majority of the loans under the Term Loan Facility, except that (a) the consent of each Lender directly and adversely affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of maturity or amortization of any loan or reductions in the amount or extensions of the payment date of any required mandatory payments, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof, (iii) increases in the amount or extensions of the expiry date of any Lender's commitment and (iv) modifying the pro rata sharing or collateral waterfall requirements of the Term Credit Documentation, and (b) the consent of each Lender shall be required to (i) permit any Loan Party to assign its rights under the Term Credit Documentation, (ii) modify any of the voting percentages, (iii) release all or substantially all of the Guarantors or (iv) release all or substantially all of the Collateral.

The Term Credit Documentation will contain customary provisions consistent with the Documentation Principles for replacing a Lender in connection with, among other things, amendments and waivers to which such Lender has not consented that require the consent of all, or of all adversely affected, Lenders so long as the Required Lenders (to be defined in the Term Credit Documentation consistent with the Documentation Principles) have consented thereto.

The Term Credit Documentation shall contain customary "amend and extend" provisions or other loan modification offers to be mutually agreed, pursuant to which individual Term Loan Lenders may agree to extend the maturity date of their outstanding Term Loans or make other loan modifications to their outstanding Term Loans upon the request of the Borrower and without the consent of any other Term Loan Lender (it is understood that (i) no existing Term Loan Lender will have any obligation to commit to any such extension or modification and (ii) each Term Loan Lender under the class being extended or modified shall have the opportunity to participate in such extension or modification on the same terms and conditions as each other Term Loan Lender under such class).

Assignments and
Participations:

The Lenders shall be permitted to assign (which shall exclude in all cases assignments to any Disqualified Lender) all or a portion of their loans and commitments with the consent, not to be unreasonably withheld, of (a) the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Term Loan Administrative Agent within five (5) business days after having received notice thereof), unless (i) the assignee is a Lender, an affiliate of a Lender or an approved fund or (ii) an event of default has occurred and is continuing and (b) the Term

Loan Administrative Agent, unless the assignee is a Lender, an affiliate of a Lender or an approved fund. In the case of partial assignments (other than to another Lender, to an affiliate of a Lender or an approved fund), the minimum assignment amount shall be \$1,000,000, unless otherwise agreed by the Borrower and the Term Loan Administrative Agent. Each assignment shall be subject to the payment of a service fee of \$3,500 to the Term Loan Administrative Agent by the parties to such assignment.

The Lenders shall also be permitted to sell participations in their loans. Participants shall have customary benefits with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to customary matters. Pledges of loans in accordance with applicable law shall be permitted without restriction. Each Lender may disclose information to prospective participants and assignees.

“Disqualified Lenders” means (a) entities that are specifically identified by the Borrower to the Term Loan Administrative Agent in writing prior to the date of the Commitment Letter, or after the date of the Commitment Letter and prior to the Closing Date with the reasonable consent of the Lead Arrangers, (b) entities that are competitors of the Borrower or its subsidiaries (including the Target and its subsidiaries) and which are specifically identified by the Borrower to the Term Loan Administrative Agent in writing from time to time (“Competitors”) and (c) in the case of the foregoing clauses (a) and (b), any of such entities’ affiliates to the extent such affiliates (x)(i) are clearly identifiable as affiliates based solely on the similarity of such affiliates’ names to an entity set forth on the “Disqualified Lenders” list and (ii) are not bona fide debt investment funds or (y) upon reasonable notice to the Term Loan Administrative Agent, are (i) identified as affiliates in writing in a written supplement to the list of “Disqualified Lenders” and (ii) are not bona fide debt investment funds. Any supplement shall become effective three (3) business days after delivery to the Term Loan Administrative Agent and the Lenders, but which shall not apply retroactively to disqualify any parties that have (i) previously acquired an assignment or participation interest in the Loans, (ii) entered into a trade for an assignment or participation interest in the Loans or (iii) become a competitor of the Company or its subsidiaries before such entity is added to the “Disqualified Lender” list, but upon effectiveness of such designation, any such party may not acquire any additional commitments or participations; provided that no supplements shall be made to the “Disqualified Lender” list from and including the date of the launch of primary syndication of the Credit Facilities through and including the Syndication Date. The list of Disqualified Lenders (as updated from time to time) shall be made available to the Lenders and to potential Lenders, and the confidentiality provisions shall not restrict the foregoing. The register shall be available for inspection by the Borrower and Lenders upon request.

The Term Credit Documentation shall provide that Term Loans may be purchased by and assigned to the Borrower or any subsidiary thereof through (a) Dutch auctions open to all Lenders on a pro rata basis in accordance with customary procedures to be mutually agreed and/or (b) open market purchases on a non-pro rata basis, in each case on terms and conditions to be agreed, including no default or event of default and no use of the ABL Facility to effect such purchases. Any loans assigned to or purchased by the Borrower or any subsidiary thereof shall be automatically and permanently cancelled immediately upon acquisition thereof by the Borrower or such subsidiary.

In no event shall the Term Loan Administrative Agent be obligated to ascertain, monitor or inquire as to whether any person is a Disqualified Lender or have any liability with respect to or arising out of any assignment or participation of loans or commitments by or disclosure of information by the Lenders, in each case, to any Disqualified Lender.

Yield Protection:

The Term Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy, liquidity and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for “breakage costs” incurred in connection with, among other things, any prepayment of a Eurodollar Loan on a day other than the last day of an interest period with respect thereto. The Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III (and all requests, rules, guidelines or directives relating to each of the foregoing or issued in connection therewith) shall be deemed to be changes in law after the Closing Date regardless of the date enacted, adopted or issued.

Expenses and
Indemnification:

The Borrower shall pay (a) all reasonable and documented out-of-pocket expenses of the Term Loan Administrative Agent and the Lead Arrangers and their affiliates associated with the syndication of the Term Loan Facility and the preparation, execution, delivery and administration of the Term Credit Documentation and any amendment or waiver with respect thereto (including the reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each applicable jurisdiction or as otherwise retained with the Borrower’s consent (such consent not to be unreasonably withheld or delayed) to the Administrative Agent and the Lead Arrangers and their affiliates, in each case for all such parties taken together) and (b) all reasonable and documented out-of-pocket expenses of the Term Loan

Administrative Agent and the Lenders (including the reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each applicable jurisdiction for the Administrative Agent and the Lenders taken as a whole, (and, in light of actual or potential conflicts of interest or the availability of different claims or defenses (as reasonably determined by the affected party), one additional firm of counsel to each group of similarly affected parties)) in connection with the enforcement of the Term Credit Documentation.

The Term Loan Administrative Agent, the Lead Arrangers and the Lenders (and their affiliates and their respective officers, directors, employees, advisors, representatives and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense (including reasonable and documented legal expenses of (x) one primary counsel and one local counsel in each applicable jurisdiction, in each case for the indemnified persons taken as a whole and (y) one additional counsel for each affected indemnified person in light of actual or potential conflicts of interest or the availability of different claims or defenses) incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the indemnified party).

Defaulting Lenders:	The Term Credit Documentation will contain the Term Loan Administrative Agent's customary provisions in respect of defaulting lenders.
EU Bail-In:	The Term Credit Documentation will contain the Term Loan Administrative Agent's customary provisions in respect of EU "Bail-In" matters.
Governing Law and Forum:	State of New York.
Counsel to the Term Loan Administrative Agent and the Lead Arranger:	Simpson Thacher & Bartlett LLP.

Interest and Certain Fees

Interest Rate Options:

The Borrower may elect that the loans comprising each borrowing bear interest at a rate per annum equal to (a), in the case of loans denominated in U.S. Dollars, the Alternate Base Rate (such loans herein referred to as “ABR Loans”) plus the Applicable Margin, (b), in the case of loans denominated in U.S. Dollars, the Adjusted LIBO Rate plus the Applicable Margin and (c) in the case of loans denominated in Euros, the EURIBOR (such loans described in clauses (b) and (c) herein are referred to as “Eurodollar Loans”) plus the Applicable Margin.

As used herein:

“Alternate Base Rate” or “ABR” means the highest of (i) the “U.S. Prime Lending Rate” published by The Wall Street Journal (the “Prime Rate”), (ii) the NYFRB Rate from time to time plus 0.5% and (iii) the Adjusted LIBO Rate for a one month interest period plus 1%.

“Adjusted LIBO Rate” means the LIBO Rate, as adjusted for statutory reserve requirements for eurocurrency liabilities.

“Applicable Margin” means (i) 1.75% in the case of ABR Loans and (ii) 2.75% in the case of Eurodollar Loans denominated in U.S. Dollars and (iii) 3.00% in the case of Eurodollar Loans denominated in Euros.

“EURIBOR” means the rate per annum (adjusted for statutory reserve requirements for euro liabilities) equal to (a) the offered rate per annum for euro deposits appearing on Reuters Page EURIBOR01 (or any successor or substitute page which displays an average determined by the European Banking Federation) (the “EURIBOR Screen Rate”) as of 11:00 a.m., Brussels time, two business days prior to the beginning of such Interest Period or (b) if the EURIBOR Screen Rate shall not be available at such time for such interest period with respect to Euros, then the EURIBOR Rate shall be customary interpolated rate; provided that if the EURIBOR as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of calculating such rate.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any interest period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two (2) business days prior to the commencement of such interest period; provided that if the LIBO Screen Rate shall not be available at such time for such interest period (an “Impacted Interest Period”) then the LIBO Rate shall be a customary interpolated rate (which in no event shall be less than zero).

“LIBO Screen Rate” means, for any day and time, with respect to any Eurodollar Borrowing 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 U.S. dollars 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); provided that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of calculating such rate.

“NYFRB Rate” means, for any day, the greater of (a) the federal funds effective rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day; provided, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to zero for the purposes of calculating such rate.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar Borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

The Credit Documentation will contain provisions to be mutually agreed with respect to a replacement of the LIBO Rate and/or EURIBOR.

Interest Payment Dates:

In the case of ABR Loans, interest shall be payable on the first day of each quarter, upon any prepayment due to acceleration and at final maturity.

In the case of Eurodollar Loans, interest shall be payable in arrears on the last day of each interest period and, in the case of an interest period longer than three months, quarterly, upon any prepayment and at final maturity.

Default Rate:

After default, the applicable interest rate will be increased by 2% per annum (and new Eurodollar Loans may be suspended). Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to ABR Loans.

Rate and Fee Basis:

All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans) for actual days elapsed.

PROJECT VISION
ABL FACILITY
Summary of Terms and Conditions

Set forth below is a summary of the principal terms and conditions for the ABL Facility. Capitalized terms used but not defined shall have the meanings set forth in the Commitment Letter to which this Exhibit C is attached and in Exhibits A, B and D attached thereto.

I. Parties

Borrowers:	Thor Industries, Inc. (the “ <u>Company</u> ” or “ <u>Parent Borrower</u> ”) and certain wholly-owned subsidiaries of the Company to be determined, including any European Co-Borrower (as defined below) under the European Sub-Facility (as defined below) (collectively, the “ <u>Borrowers</u> ”).
Joint Lead Arrangers and Joint Bookrunners:	JPMorgan Chase Bank, N.A. (“ <u>JPMorgan</u> ”) and Barclays Bank PLC (“ <u>Barclays</u> ”, and together with JPMorgan, in such capacity, the “ <u>Lead Arrangers</u> ”).
ABL Administrative Agent:	JPMorgan (in such capacity, the “ <u>ABL Administrative Agent</u> ”).
Lenders:	A syndicate of banks, financial institutions and other entities, including JPMorgan and Barclays, arranged by the Lead Arrangers (collectively, the “ <u>Lenders</u> ”).

II. ABL Facility

Type and Amount of Facility:	A five-year asset-based revolving credit facility (the “ <u>ABL Facility</u> ”; the commitments thereunder, the “ <u>ABL Commitments</u> ”) in the amount of \$750 million (the loans thereunder, the “ <u>ABL Loans</u> ”).
European Sub-Facility:	The ABL Credit Documentation will provide that a portion of the ABL Facility in an amount not to exceed \$200 million U.S. dollar equivalent may be drawn by certain wholly owned foreign subsidiaries of the Company organized in jurisdictions reasonably satisfactory to the Lead Arrangers (such Borrowers, the “ <u>European Co-Borrowers</u> ”, such sub-facility, the “ <u>European Sub-Facility</u> ”).
Incremental Facilities:	The ABL Facility will permit the Company to increase commitments under the ABL Facility (any such increase, an “ <u>Incremental ABL Increase</u> ”) in an aggregate amount of up to \$150 million, but no less than \$25 million and \$1 million increments thereafter; <u>provided</u> that (i) no existing ABL Lender will be required to participate in any such ABL Incremental Increase without its consent, (ii) no default or event of default under the ABL Facility would exist after giving effect thereto and (iii) the documentation and terms of any ABL Incremental Increase shall be documented solely as an increase to the commitments under the ABL Facility without any change in terms other than those necessary to effect such Incremental ABL Increase. Any upfront fees paid to Lenders pursuant to an ABL Incremental Increase are to be determined between the Parent Borrower and the ABL Lenders participating in such ABL Incremental Increase.

Availability: The ABL Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the fifth anniversary thereof (the “ABL Maturity Date”). Extensions of credit under the ABL Facility to a Borrower shall be available in U.S. dollars, Euros, British Pounds Sterling and other currencies to be mutually agreed by the Borrower and each ABL Lender.

Extensions of credit under the ABL Facility will be subject to outstanding Excess Availability (as defined below). The Domestic Loan Parties (as defined below) and the European Loan Parties (as defined below) will each have separate Borrowing Bases. Notwithstanding the foregoing, the European Co-Borrowers shall be entitled to draw upon an amount up to the U.S. dollar equivalent of the Excess Availability of the Domestic Loan Parties; provided that the principal amount of any such draws shall reduce Excess Availability that may be drawn on by the Domestic Loan Parties.

“Excess Availability” means, at any time, an amount equal to (i) the lesser of the aggregate ABL Commitments and the Borrowing Base of the Loan Parties minus (ii) the sum of the aggregate outstanding amount of borrowings under the ABL Facility plus the undrawn amount of outstanding Letters of Credit issued under the ABL Facility.

Notwithstanding the foregoing, the aggregate principal amount of borrowings under the ABL Facility (exclusive of letter of credit usage) on the Closing Date used to pay the Transaction Costs shall not exceed \$200 million.

Letters of Credit: A portion of the ABL Facility not in excess of \$75 million, or such higher amount as may be requested by the Company and agreed to by the Issuing Lender in its sole discretion, shall be available for the issuance of letters of credit (the “Letters of Credit”) by JPMorgan and other Lenders requested by the Borrowers that have accepted such designation and that have been approved by the ABL Administrative Agent (collectively in such capacity, the “Issuing Lenders”), such consent not to be unreasonably withheld, delayed or conditioned. No Letter of Credit shall have an expiration date after the earlier of (a) one (1) year after the date of issuance and (b) five (5) business days prior to the ABL Maturity Date, provided that any Letter of Credit may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (b) above).

Drawings under any Letter of Credit shall be reimbursed by the Borrowers (whether with their own funds or with the proceeds of ABL Loans) on the same business day. To the extent that the Borrowers do not so reimburse any Issuing Lender, the Lenders under the ABL Facility shall be irrevocably and unconditionally obligated to reimburse such Issuing Lender on a pro rata basis.

Swing Line Loans:	A portion of the ABL Facility not in excess of \$75 million shall be available, at the discretion of the Swing Line Lender, for swing line loans (the “ <u>Swing Line Loans</u> ”) from the ABL Administrative Agent (in such capacity, the “ <u>Swing Line Lender</u> ”). The Borrowers may request Swing Line Loans from the Swing Line Lender on same-day notice. Any such Swing Line Loans will reduce availability under the ABL Facility on a dollar-for-dollar basis. Each Lender under the ABL Facility shall acquire, under certain circumstances, an irrevocable and unconditional pro rata participation in each Swing Line Loan.
Borrowing Base:	The “ <u>Borrowing Base</u> ” will with respect to either the Domestic Loan Parties or the European Loan Parties, as applicable, equal the sum of (a) 85% of the eligible accounts receivable of each wholly-owned Domestic Loan Party or European Loan Party, as applicable, <u>plus</u> (b) the lesser of (i) 70% of each wholly-owned Domestic Loan Party’s or European Loan Party’s, as applicable, eligible inventory (valued at the lower of cost (FIFO) or market) and (ii) 85% of the net orderly liquidation value percentage identified in the most recent inventory appraisal determined by an appraiser ordered by the ABL Administrative Agent <u>multiplied by</u> each wholly-owned Domestic Loan Party’s or European Loan Party’s, as applicable, eligible inventory (valued at the lower of cost (FIFO) and market) <u>minus</u> (c) reserves established by the ABL Administrative Agent in its Permitted Discretion. Notwithstanding the foregoing, if the ABL Administrative Agent has not received field examinations and inventory appraisals reasonably satisfactory to it with respect to any accounts receivable or inventory prior to the Closing Date with respect to the Target, up to (i) 70% of the eligible accounts receivable of the Target and (ii) 35% of eligible inventory (valued at the lower of cost (FIFO) or market) of the Target shall be applied to the foregoing calculation of the Borrowing Base. A field examination and inventory appraisal shall be completed within ninety (90) days of the Closing Date (or such longer period as determined by the ABL Administrative Agent in its discretion). “ <u>Permitted Discretion</u> ” means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset based lender similarly situated) credit judgment and consistent with the Documentation Principles.
Eligibility:	The definition of eligible accounts receivable and eligible inventory will be determined by the ABL Administrative Agent in its Permitted Discretion. In addition, the ABL Administrative Agent will retain the right, from time to time, in its Permitted Discretion, to establish additional standards of eligibility and reserves against eligibility and to adjust reserves.
Maturity:	The ABL Maturity Date.

III. Purpose; Certain Payment Provisions

Purpose:	The proceeds of the ABL Loans shall be used to finance the Transaction Costs (except for the ABL Loans under the European Sub-Facility) and to finance the Borrowers' working capital needs and for general corporate purposes of the Company and its subsidiaries.
Fees and Interest Rates:	As set forth on <u>Annex I</u> .
Mandatory Prepayments:	The "ABL Credit Documentation" (as defined below) will contain a mandatory prepayment provision that will require a prepayment of amounts outstanding under the ABL Facility (without a concurrent reduction of the ABL Commitments) when there is an availability shortfall.
Voluntary Prepayments:	Permitted in whole or in part, with prior written notice but without premium or penalty, subject to limitations as to minimum amounts of prepayments and customary indemnification for breakage costs in the case of prepayment of "Eurodollar Loans" (as defined in <u>Annex I</u>) other than on the last day of a related interest period.

IV. Collateral and Other Credit Support

Collateral:	The ABL Facility will be secured by substantially all assets of the Loan Parties, whether consisting of real, personal, tangible or intangible property, including all of the outstanding equity interests of the Company's subsidiaries (collectively, the " <u>Collateral</u> "). The Collateral of the Domestic Loan Parties will also secure the Term Loan Facility. The liens securing the ABL Facility will be first priority in the case of "ABL Priority Collateral" (as defined below) and collateral of the European Loan Parties and second priority in the case of "Term Priority Collateral" (each as defined below) of the Domestic Loan Parties.
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"Term Priority Collateral" means all Collateral of the Domestic Loan Parties other than ABL Priority Collateral.

"ABL Priority Collateral" means all of the Loan Parties' present and after acquired cash, accounts receivable, credit card receivables, inventory, deposit accounts (other than deposit accounts in which net cash proceeds from the sale of non-ABL Priority Collateral are deposited pending reinvestment), securities accounts, commodities accounts, instruments, documents, chattel paper, books and records, and all proceeds relating to the foregoing.

The Collateral will also secure bank products (including ACH transactions, credit card transactions and cash management services) and interest rate swaps, currency or other hedging obligations owing to any Lender or its affiliates. Collateral from the European Loan Parties shall only secure the non-U.S. obligations.

Notwithstanding anything to the contrary, the Collateral shall exclude any "Excluded Asset" (as defined in Exhibit B with respect to the Term Loan Facility).

Intercreditor Agreement: The lien priority, relative rights and other creditors' rights issues in respect of the ABL Facility and the Term Loan Facility will be set forth in a customary intercreditor agreement (the "Intercreditor Agreement"), which shall be reasonably satisfactory to the Company, the ABL Administrative Agent and the "Term Loan Administrative Agent" (as defined in Exhibit B to the Commitment Letter).

Guarantees: Each domestic subsidiary of the Company that guarantees the Term Loan Facility (the "Domestic Guarantors") and, together with the Company, the "Domestic Loan Parties") shall unconditionally guarantee all of the indebtedness, obligations and liabilities of the Borrowers arising under or in connection with the ABL Credit Documentation, and the Domestic Loan Parties shall unconditionally guarantee all obligations in respect of secured bank products (including ACH transactions, credit card transactions and cash management services) and interest rate swaps, currency or other hedging obligations owing to any Lender or its affiliates.

In addition, each material direct and indirect European subsidiary of the Company shall unconditionally guarantee all of the indebtedness, obligations and liabilities of the European Co-Borrowers (the "European Guarantors" and together with the Domestic Guarantors, the "Guarantors"; the European Co-Borrowers and the European Guarantors are collectively referred to herein as the "European Loan Parties" and together with the Domestic Loan Parties, the "Loan Parties") arising under or in connection with the ABL Credit Documentation, and the European Loan Parties shall unconditionally guarantee, to the extent applicable, all non-U.S. obligations in respect of secured bank products (including ACH transactions, credit card transactions and cash management services) and interest rate swaps, currency or other hedging obligations owing to any Lender or its affiliates.

Notwithstanding the foregoing, no "Excluded Subsidiary" (as defined in Exhibit B with respect to the Term Loan Facility) shall be required to be a Guarantor of the ABL Facility and no Borrower shall be an Excluded Subsidiary.

V. Certain Conditions

Initial Conditions: The availability of the ABL Facility on the Closing Date shall be subject only to the conditions precedent set forth in Section 6 of the Commitment Letter and on Exhibit D to the Commitment Letter.

On-Going Conditions: After the Closing Date, the making of each extension of credit shall be conditioned upon (a) the accuracy of all representations and warranties in the ABL Credit Documentation, (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit and (c) after giving effect to the extensions of credit request, the total extensions of credit under the ABL Facility shall not exceed the Line Cap (as defined below).¹

¹ Sub-facility mechanics TBD.

VI. Certain Documentation Matters

The definitive documentation for the ABL Facility (the “ABL Credit Documentation”) shall (i) be consistent with this Term Sheet and shall contain those payments, mandatory prepayments, representations, warranties, covenants and events of default expressly set forth in this Term Sheet, (ii) be substantially consistent with, and no less favorable to the Borrowers than, the Existing Credit Agreement, with modifications consistent with the Term Sheet (including this paragraph) and customary modifications appropriate in view of the structure and intended use of the ABL Facility (including with respect to the timing and procedures for funding the ABL Facility on the closing date to facilitate the closing of the Transactions in accordance with the Purchase Agreement and such additional provisions relating to the Collateral as are customary for European asset-based lending facilities and considered in the reasonable judgment of the ABL Administrative Agent necessary to protect the security interests of Lenders), (iii) reflect any changes in law or accounting standards (or in the interpretation thereof) since the date of the Existing Credit Agreement as reasonably agreed by the Borrowers and the Lead Arrangers, (iv) be negotiated in good faith to finalize the ABL Credit Documentation, giving effect to the conditions precedents and limited conditionality provisions set forth in the Commitment Letter, (v) include modifications as are necessary to reflect the operational and strategic requirements of the Company and its subsidiaries (after giving effect to the Transactions) in light of their size, total assets, geographic locations, industry (and risks and trends associated therewith), businesses, business practices, operations and projections and (vi) are otherwise mutually agreed upon by the Borrower and the Lead Arrangers.

The ABL Credit Documentation shall contain the following representations, warranties, covenants and events of default, that will be applicable to the Company and its restricted subsidiaries (or, in the case of certain customary representations, warranties and affirmative covenants, all subsidiaries), customary for financings of this type and subject to exceptions, as appropriate, to be mutually agreed upon in each case, consistent with the Documentation Principles:

Representations and
Warranties:

Financial statements; no material adverse change; existence and standing, authorization and validity; compliance with law, including, without limitation, anti-corruption laws relating to bribery or corruption (“Anti-Corruption Laws”) and economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the (a) 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, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority (“Sanctions”);

corporate power and authority; enforceability of ABL Credit Documentation; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; liens; intellectual property; no burdensome restrictions; taxes; insurance; Federal Reserve regulations; ERISA; Investment Company Act; subsidiaries; environmental matters; labor matters; accuracy of disclosure; and no EEA financial institution.

Affirmative Covenants: Delivery of quarterly unaudited and annual audited financial statements, quarterly compliance certificates and annual projections (one (1) year budget) (within 45/90/90 days or such later date as otherwise permitted by the SEC, if applicable, for delivery of quarterlies, annuals and projections, respectively), monthly collateral reporting (including agings and inventory reports) and monthly Borrowing Base certificates (to be delivered on or prior the 20th day following the end of a month or 23rd day following the end of any month upon which a quarter ends; provided, that for the first five (5) months following the Closing Date, Borrowing Base certificates may be delivered on or prior to the 30th day following the end of the month) and other information requested by the Administrative Agent (provided that, Borrowing Base certificates with supporting documentation will be delivered on a weekly basis in the event of a Reporting Trigger Period (as defined below)); payment of obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions; accuracy of information; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records (including periodic field examinations and inventory appraisals subject to certain limits as set forth below); notices of defaults, litigation and other material events; compliance with environmental laws; depository banks; casualty and condemnation; and use of proceeds, including in compliance with Anti-Corruption Laws and Sanctions.

“ Adjusted Excess Availability ” means Excess Availability plus Qualified Unrestricted Cash.

“ Line Cap ” means the lesser of (i) the aggregate ABL Commitments and (ii) the Borrowing Base.

“ Qualified Unrestricted Cash ” means unrestricted cash constituting collateral that is held in deposit accounts and securities accounts of the Loan Parties subject to an acceptable control agreement in favor of the Administrative Agent.

A “ Reporting Trigger Period ” shall commence when (i) an event of default has occurred and is continuing or (ii) Adjusted Excess Availability is less than the greater of (a) \$70 million or 12.5% of the Line Cap for five (5) consecutive business days. A Reporting Trigger Period shall cease after thirty (30) consecutive days of (i) no event of default having occurred or continuing and (ii) Adjusted Excess Availability being greater than the greater of (a) \$70 million or 12.5% of the Line Cap.

Financial Covenant: A minimum Fixed Charge Coverage Ratio of 1.00 to 1.00, to be triggered in the event that Adjusted Excess Availability is less than the greater of (a) \$60 million and (b) 10% of the Line Cap. Requirement to maintain minimum Fixed Charge Coverage Ratio will cease upon the occurrence of thirty (30) consecutive days where the Adjusted Excess Availability is equals or exceeds the greater of (i) \$60 million and (ii) 10% of the Line Cap.

“ Fixed Charge Coverage Ratio ” means the ratio of (a) Consolidated EBITDA (to be defined in a manner consistent with the definition in Exhibit B for the Term Loan Facility; provided that clause (ix) of such definition shall be subject to a cap on synergies/operating expenses/cost savings of 25% of Consolidated EBITDA) minus unfinanced capital expenditures minus taxes to (b) the sum of interest, principal repayments (made or required to be made), restricted payments and restricted junior debt payments.

Negative Covenants: Limitations (subject to exceptions, as appropriate, to be negotiated and including the specific exceptions set forth herein and otherwise consistent with the Term Loan Facility, with applicable grower baskets to be based on either an equivalent percentage of Consolidated EBITDA or consolidated total assets, as determined by the Company prior to launch of general syndication) on:

- indebtedness (including guarantee obligations), including, but not limited to, exceptions (a) consistent with those set forth in Exhibit B for the Term Loan Facility with respect to the indebtedness covenant and (b) the incurrence of the indebtedness under the Term Loan Facility (including any Incremental Term Loan Facility);
- liens, including, but not limited to, exceptions (a) consistent with those set forth in Exhibit B for the Term Loan Facility with respect to the lien covenant and (b) the incurrence of the liens under the Term Loan Facility (including any Incremental Term Loan Facility);
- sales of assets, including, but not limited to, exceptions for sales and other dispositions (a) so long as (i) the consideration received from such sale reflects the fair market value (as reasonably determined in good faith by the Borrowers) of the asset being sold, (ii) no event of default having occurred or continuing prior to or after giving effect to such asset sale and (iii) immediately after giving effect thereto, pro forma Adjusted Excess Availability (average daily basis for 30 consecutive days) is greater than (x) 12.5% of the Line Cap and (y) \$70 million, (b) made in connection with receivables or factoring agreements consistent with the Target’s past practices and (c) other usual and customary exceptions consistent with the Documentation Principles.

In the case of any non-ordinary course sales or dispositions of ABL Priority Collateral with a fair market value greater than \$25 million in a single transaction or series of related transactions, the Borrowers shall deliver an updated Borrowing Base certificate reflecting such non-ordinary course sale or disposition;

- payment of restricted payments (including dividends and other payments in respect of equity interests), including, but not limited to, exceptions for (a) regularly scheduled dividends (including share repurchases) not to exceed \$175 million per annum, with ability to carry over 25% from prior fiscal year (on a non-cumulative basis), (b) restricted payments representing officer or other employee stock repurchases not to exceed \$20 million per annum, with ability to carry over for one fiscal year, (c) tax payments related to vesting of stock-based awards consistent with past practices of the Company, (d) other restricted payments up to the greater of (i) \$150 million and (ii) an equivalent grower basket, (e) restricted payments in an unlimited amount subject to (i) no event of default having occurred or continuing prior to or after giving effect to such restricted payment and (ii) satisfaction of the Payment Condition (as defined below) and (f) other usual and customary exceptions consistent with the Documentation Principles;
- investments (including acquisitions, loans and advances), including, but not limited to, exceptions for (a) Permitted Acquisitions that meet the Payment Condition, (b) investments existing on the Closing Date and scheduled, (c) loans and other advances to employees not to exceed \$5 million outstanding at any time, (d) guarantees of indebtedness permitted under the ABL Credit Documentation, (e) investments in restricted subsidiaries that are not Loan Parties up to the greater of (i) \$150 million and (ii) an equivalent grower basket, (f) investments in joint ventures and unrestricted subsidiaries up to the greater of (i) \$100 million and (ii) an equivalent grower basket, (g) investments in connection with receivables and factoring agreements and wholesale financing consistent with the Target's past practices; (h) other investments up to the greater of (i) \$250 million or (ii) equivalent grower basket, (i) investments in an unlimited amount subject to (i) no event of default having occurred and continuing prior to or after giving effect to such investment and (ii) satisfaction of the Payment Condition and (j) other usual and customary exceptions consistent with the Documentation Principles;
- optional payments and modifications of subordinated and other debt instruments, including, but not limited to, exceptions for (a) regularly scheduled payments of principal and interest, (b) refinancing of permitted junior indebtedness with like indebtedness, (c) payments made with the proceeds of the issuance of equity, (d) other payments up to the greater of (i)

\$100 million and (ii) an equivalent grower basket, (e) optional payments and modifications of subordinated and other debt instruments in an unlimited amount subject to (i) no event of default having occurred and continuing prior to or after giving effect to such payment or modification and (ii) satisfaction of the Payment Condition, (f) payments (including prepayments) with respect to Continuing External Debt and (g) other usual and customary exceptions consistent with the Documentation Principles;

- maintenance of Adjusted Excess Availability in an amount, (without duplication) together with the cash and cash equivalents of Target and its subsidiaries, in excess of the Continuing External Debt Payoff Amount;
- mergers, consolidations, liquidations and dissolutions;
- sale and leaseback transactions;
- swap agreements;
- transactions with affiliates;
- changes in fiscal year;
- negative pledge clauses and other restrictive agreements; and
- amendment of material documents.

“ Continuing External Debt Payoff Amount ” means, with respect to the Continuing External Debt for which consent to the repayment thereof is required and such consent has not been obtained from the lender thereof, the aggregate amount necessary to repay the principal, interest and any estimated break costs for such Continuing External Debt, as determined by good faith estimate of the Company, in consultation with the Lenders.

“ Payment Condition ” means, with respect to any proposed event on any date, a condition that is satisfied if (a) as of the date of the proposed event and after giving effect thereto, no default or event of default has occurred and is continuing, (b) after giving effect to the proposed event as if it occurred on the first day of the applicable “Pro Forma Period” (as defined below), (i) if the Fixed Charge Coverage Ratio is greater than or equal to 1.00 to 1.00, then (w) in the case of a restricted payment, pro forma Adjusted Excess Availability shall be greater than the greater of \$90 million and 15% of the Line Cap at such time and on an average daily basis during the Pro Forma Period, (x) in the case of an investment (including a Permitted Acquisition), pro forma Adjusted Excess Availability shall be greater than the greater of \$70 million and 12.5% of the Line Cap at such time and on an average daily basis during the Pro Forma Period and (y) in the case of junior debt voluntary prepayments, pro forma Adjusted Excess Availability shall be greater than the greater of \$90 million

and 15% of the Line Cap at such time and on an average daily basis during the Pro Forma Period and (ii) if the Fixed Charge Coverage Ratio (to be defined in a manner to be agreed) is less than 1.00 to 1.00, then (w) in the case of a restricted payment, pro forma Adjusted Excess Availability shall be greater than the greater of \$125 million and 20% of the Line Cap at such time and on an average daily basis during the Pro Forma Period, (x) in the case of an investment (including a Permitted Acquisition), pro forma Adjusted Excess Availability shall be greater than the greater of \$112.5 million and 17.5% of the Line Cap at such time and on an average daily basis during the Pro Forma Period and (y) in the case of junior debt voluntary prepayments, pro forma Adjusted Excess Availability shall be greater than the greater of \$125 million and 20% of the Line Cap at such time and on an average daily basis during the Pro Forma Period. The Administrative Agent shall have received a certificate of an officer of the Parent Borrower certifying as to compliance with the preceding clauses and demonstrating (in reasonable detail) the calculations required thereby.

Subject to customary limitations, the indebtedness, liens, investments and restricted payments covenants shall permit the re-classification of amounts among baskets.

“ Pro Forma Period ” means the period commencing thirty (30) days prior to the date of any proposed event and ending on the date of such proposed event.

Cash Dominion:

The Loan Parties will be subject to cash dominion for the life of the ABL Facility. Funds deposited into any depository account will be swept on a daily basis into a blocked account with the ABL Administrative Agent (the “ Concentration Account ”). Other than during a Cash Dominion Trigger Period (as defined below), collections which are received into the Concentration Account shall be deposited into the Company’s operating account. During a Cash Dominion Trigger Period, collections which are received into the Concentration Account shall be used to reduce amounts owing under the ABL Facility. A “ Cash Dominion Trigger Period ” shall commence when (i) an event of default has occurred and is continuing or (ii) Adjusted Excess Availability is less than the greater of (a) \$70 million or 12.5% of the Line Cap for five (5) consecutive business days. A Cash Dominion Trigger Period shall cease after thirty (30) consecutive days of (i) no event of default having occurred or continuing and (ii) Adjusted Excess Availability being greater than the greater of (a) \$70 million or 12.5% of the Line Cap.

The appropriate documentation, including blocked account and/or lockbox agreements acceptable to the ABL Administrative Agent, will be required for all depository accounts of the Loan Parties (subject to certain excluded deposit accounts of the Loan Parties to be mutually agreed upon).

Unrestricted Subsidiaries:	The ABL Credit Documentation will contain provisions pursuant to which, subject to limitations on loans, advances, guarantees and other investments in unrestricted subsidiaries, the Borrowers will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary in each case so long as, after giving pro form effect thereto, no event of default has occurred and is continuing and such designation as a restricted subsidiary would be permitted as a permitted investment. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenant or event of default provisions of the ABL Credit Documentation and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with any financial metric contained in the ABL Credit Documentation
Events of Default:	Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period of five (5) business days; representations and warranties are incorrect in any material respect; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period to be agreed upon); cross-default to occurrence of a default (whether or not resulting in acceleration) under any other agreement governing indebtedness (other than Continuing External Debt), in excess of an amount to be agreed upon, of the Company or any of its subsidiaries; bankruptcy events; certain ERISA events; material judgments; any of the ABL Credit Documentation shall cease to be in full force and effect or any Loan Party party thereto shall so assert; any interests created by the security documents shall cease to be enforceable and of the same priority purported to be created thereby; and a Change of Control (to be defined in a manner consistent with such definition in the Term Credit Documentation). In addition, it shall be an event of default under the ABL Credit Documentation if the Borrower (or any of its affiliates) fails to comply with the “market flex” provisions of the Arranger Fee Letter or the marketing or information provisions of the Commitment Letter (including, without limitation, implementing amendments to the Credit Documentation to reflect the terms of the “market flex” provisions of the Arranger Fee Letter).
Voting:	Amendments, waivers and consents with respect to the ABL Credit Documentation shall require the approval of Lenders holding not less than a majority of the commitments under the ABL Facility (provided that if there are only two Lenders, the approval of both Lenders shall be required), except that (a) the consent of each Lender directly and adversely affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of maturity of any loan or reductions in the amount or extensions of the payment date of any required mandatory payments, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof and (iii) increases in the amount or extensions of the expiry date of any Lender’s commitment, (b) the consent of each Lender shall be required to (i) amend the definition of Borrowing Base or (ii) change

the eligibility criteria applicable to the Borrowing Base to increase availability thereunder and (c) the consent of each Lender shall be required to (i) modify the pro rata sharing or collateral waterfall requirements of the ABL Credit Documentation, (ii) permit any Loan Party to assign its rights under the ABL Credit Documentation, (iii) modify any of the voting percentages, (iv) release all or substantially all of the Guarantors or (v) release all or substantially all of the Collateral.

Assignments and
Participations:

The Lenders shall be permitted to assign (which shall exclude in all cases assignments to any Disqualified Lender) all or a portion of their loans and commitments with the consent, not to be unreasonably withheld, of (a) the Company (provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the ABL Administrative Agent within five (5) business days after having received notice thereof), unless (i) the assignee is a Lender, an affiliate of a Lender or an approved fund or (ii) an event of default has occurred and is continuing, (b) the ABL Administrative Agent, (c) the Issuing Lenders and (d) the Swing Line Lender. In the case of partial assignments (other than to another Lender, to an affiliate of a Lender or an approved fund), the minimum assignment amount shall be \$5 million, unless otherwise agreed by the Company and the ABL Administrative Agent. Each assignment shall be subject to the payment of a service fee of \$3,500 to the ABL Administrative Agent by the parties to such assignment.

The Lenders shall also be permitted to sell participations in their loans. Participants shall have customary benefits with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to customary matters. Pledges of loans in accordance with applicable law shall be permitted without restriction. Each Lender may disclose information to prospective participants and assignees.

“ Disqualified Lenders ” means (a) entities that are specifically identified by the Company to the ABL Administrative Agent in writing prior to the date of the Commitment Letter, or after the date of the Commitment Letter and prior to the Closing Date with the reasonable consent of the Lead Arrangers, (b) entities that are competitors of the Company or its subsidiaries (including the Target and its subsidiaries) and which are specifically identified by the Company to the ABL Administrative Agent in writing from time to time (“ Competitors ”) and (c) in the case of the foregoing clauses (a) and (b), any of such entities’ affiliates to the extent such affiliates (x)(i) are clearly identifiable as affiliates based solely on the similarity of such affiliates’ names to an entity set forth on the “Disqualified Lender” list and (ii) are not bona fide debt investment funds or (y) upon reasonable notice to the ABL Administrative Agent, are (i) identified as affiliates in writing in a written supplement to the list of “Disqualified Lenders” and (ii) are not bona fide debt investment funds. Any supplement to such list shall become effective three (3) business days after delivery to the ABL

Administrative Agent and the Lenders, but which shall not apply retroactively to disqualify any parties that have (i) previously acquired an assignment or participation interest in the Loans, (ii) entered into a trade for an assignment or participation interest in the Loans or (iii) become a competitor of the Company or its subsidiaries before such entity is added to the “Disqualified Lender” list, but upon effectiveness of such designation, any such party may not acquire any additional assignment or participations interests in the Loans; provided that no supplements shall be made to the “Disqualified Lender” list from and including the date of the launch of primary syndication of the Credit Facilities through and including the Syndication Date. The list of Disqualified Lenders (as updated from time to time) shall be made available to the Lenders and to potential Lenders and the confidentiality provisions shall not restrict the foregoing. The register shall be available for inspection by the Company and Lenders upon request.

In no event shall the ABL Administrative Agent be obligated to ascertain, monitor or inquire as to whether any person is a Disqualified Lender or have any liability with respect to or arising out of any assignment or participation of loans or commitments by or disclosure of information by the Lenders, in each case, to any Disqualified Lender.

Yield Protection:

The ABL Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy, liquidity and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for “breakage costs” incurred in connection with, among other things, any prepayment of a Eurodollar Loan on a day other than the last day of an interest period with respect thereto. The Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III (and all requests, rules, guidelines or directives relating to each of the foregoing or issued in connection therewith) shall be deemed to be changes in law after the Closing Date regardless of the date enacted, adopted or issued.

Field Examinations:

Field examinations will be conducted at the discretion of the ABL Administrative Agent to ensure the adequacy of Borrowing Base Collateral and related reporting and control systems. Notwithstanding the foregoing, no more than one field examination per year will be conducted; provided that, one additional field examination may be performed per fiscal year following the occurrence of a Collateral Audit Trigger Period (as defined below) or otherwise at the expense of the ABL Administrative Agent; provided further that, there shall be no limitation on the number or frequency of field examinations at the reasonable discretion of the ABL Administrative Agent if an event of default shall have occurred and be continuing.

A “Collateral Audit Trigger Period” shall commence upon the Adjusted Excess Availability being less than the greater of (a) \$90 million or 15% of the Line Cap for five (5) business days.

Appraisals:	Inventory appraisals will be conducted on an annual basis at the discretion of the ABL Administrative Agent; <u>provided</u> that, one additional inventory appraisal may be performed per fiscal year following the occurrence of a Collateral Audit Trigger Period or otherwise at the expense of the ABL Administrative Agent; <u>provided further</u> that, there shall be no limitation on the number or frequency of inventory appraisals at the reasonable discretion of the ABL Administrative Agent if an event of default shall have occurred and be continuing.
Expenses and Indemnification:	The Company shall pay (a) all reasonable and documented out-of-pocket expenses of the ABL Administrative Agent and the Lead Arrangers and their respective affiliates associated with the syndication of the ABL Facility and the preparation, execution, delivery and administration of the ABL Credit Documentation and any amendment or waiver with respect thereto (including the reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each applicable jurisdiction to the Administrative Agent and the Lead Arrangers and their respective affiliates, in each case for all such parties taken together), (b) all reasonable and documented out-of-pocket expenses of the ABL Administrative Agent and the Lenders (including the reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each applicable jurisdiction for the Administrative Agent and the Lenders taken as a whole, (and, in light of actual or potential conflicts of interest or the availability of different claims or defenses (as reasonably determined by the affected party), one additional firm of counsel to each group of similarly affected parties)) in connection with the enforcement of the ABL Credit Documentation and (c) fees and expenses associated with collateral monitoring, collateral reviews and appraisals (including field examination fees, plus out-of-pocket expenses), environmental reviews and fees and expenses of other advisors and professionals engaged by the ABL Administrative Agent or the Lead Arrangers or their respective affiliates. The ABL Administrative Agent, the Lead Arrangers and the Lenders (and their affiliates and their respective officers, directors, employees, advisors, representatives and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense (including reasonable and documented legal expenses of (x) one primary counsel and one local counsel in each applicable jurisdiction, in each case for the indemnified persons taken as a whole and (y) one additional counsel for each affected indemnified person in light of actual or potential conflicts of interest or the availability of different claims or defenses) incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the indemnified party).

Defaulting Lenders:	The ABL Credit Documentation will contain the ABL Administrative Agent’s customary provisions in respect of defaulting lenders.
EU Bail-In:	The ABL Credit Documentation will contain the ABL Administrative Agent’s customary provisions in respect of EU “Bail-In” matters.
Governing Law and Forum:	State of New York.
Counsel to the ABL Administrative Agent and the Lead Arrangers:	Simpson Thacher & Bartlett LLP.

Interest and Certain Fees

Interest Rate Options:

The Company may elect that the loans comprising each borrowing bear interest at a rate per annum equal to (a) in the case of U.S. dollar loans, the Alternate Base Rate (such loans herein referred to as “ABR Loans”) plus the Applicable Margin, (b) in the case of U.S. dollars loans or British Pounds Sterling loans, the Adjusted LIBO Rate (such loans herein referred to as “Eurodollar Loans”) plus the Applicable Margin or (c) in the case of loans denominated in Euros, the EURIBOR (such loans described in clauses (b) and (c) herein are referred to as “Eurodollar Loans”) plus the Applicable Margin; provided, that all Swing Line Loans shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin; provided further that loans denominated in euro may only bear interest at the Adjusted LIBO Rate.

As used herein:

“Applicable Margin” means a percentage determined in accordance with the pricing grid attached hereto as Annex I-A.

“Alternate Base Rate” or “ABR” means the highest of (i) the “U.S. Prime Lending Rate” published by The Wall Street Journal (the “Prime Rate”), (ii) the NYFRB Rate from time to time plus 0.5% and (iii) the Adjusted LIBO Rate for a one month interest period plus 1%.

“Adjusted LIBO Rate” means the LIBO Rate, as adjusted for statutory reserve requirements for eurocurrency liabilities.

“EURIBOR” means the rate per annum (adjusted for statutory reserve requirements for euro liabilities) equal to (a) the offered rate per annum for euro deposits appearing on Reuters Page EURIBOR01 (or any successor or substitute page which displays an average determined by the European Banking Federation) (the “EURIBOR Screen Rate”) as of 11:00 a.m., Brussels time, two business days prior to the beginning of such Interest Period or (b) if the EURIBOR Screen Rate shall not be available at such time for such interest period with respect to Euros, then the EURIBOR Rate shall be customary interpolated rate; provided that if the EURIBOR as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of calculating such rate.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any interest period for the applicable currency, the LIBO Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such interest period for such currency; provided that if the LIBO Screen Rate shall not be available at such time for such interest period (an “Impacted Interest Period”) then the LIBO Rate shall be a customary interpolated rate (which in no event shall be less than zero).

“ LIBO Screen Rate ” means, for any day and time, with respect to any Eurodollar Borrowing for any interest period for an applicable currency, 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 currency) for a period equal in length to such interest period and for such currency 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); provided that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to zero for the purposes of calculating such rate.

“ NYFRB Rate ” means, for any day, the greater of (a) the federal funds effective rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day; provided, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to zero for the purposes of calculating such rate.

“ Overnight Bank Funding Rate ” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar Borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

The Credit Documentation will contain provisions to be mutually agreed with respect to a replacement of the LIBO Rate.

Interest Payment Dates:

In the case of ABR Loans, interest shall be payable on the first day of each quarter, upon any prepayment due to acceleration and at final maturity.

In the case of Eurodollar Loans, interest shall be payable in arrears on the last day of each interest period and, in the case of an interest period longer than three months, quarterly, upon any prepayment and at final maturity.

Commitment Fees:

A commitment fee equal to 0.25% per annum, payable quarterly in arrears to the ABL Administrative Agent for the ratable benefit of the Lenders (including the ABL Administrative Agent) from the Closing Date until termination of the ABL Commitments.

Letter of Credit Fees:	<u>Letter of Credit</u> : A letter of credit fee, equal to the Applicable Margin for Eurodollar Loans, on the daily maximum amount to be drawn under all Letters of Credit, payable quarterly in arrears to the ABL Administrative Agent for the ratable benefit of the Lenders (including the Issuing Lender). <u>Fronting Fee</u> : A fronting fee equal to a rate per annum separately agreed upon by the Borrower and the Issuing Lender of the face amount of each Letter of Credit issued shall be payable to the Issuing Lender, together with any documentary and processing charges in accordance with the Issuing Lender's standard schedule for such charges with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of each letter of credit and each drawing made thereunder. Notwithstanding the foregoing, no such fronting fee shall be payable if there is only one (1) Lender under the ABL Facility.
Default Rate:	After default, the applicable interest rate and Letter of Credit Fee will be increased by 2% per annum (and new Eurodollar Loans may be suspended). Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to ABR Loans.
Rate and Fee Basis:	All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans) for actual days elapsed.

Pricing Grid

Adjusted Excess Availability	Applicable Margin for Eurocurrency Loans (USD and GBP)	Applicable Margin for Eurocurrency Loans (EUR)	Applicable Margin for ABR Loans
> 50% of the amount of the ABL Facility	1.25%	1.25%	0.25%
≤ 50% of the amount of the ABL Facility but > 25% of the amount of the ABL Facility	1.50%	1.50%	0.50%
≤ 25% of the amount of the ABL Facility	1.75%	1.75%	0.75%

The applicable margins shall be determined in accordance with the foregoing table based on the Company's most recent Borrowing Base Certificate. Adjustments, if any, to the applicable margins shall be made on a fiscal quarterly basis and shall be effective five (5) business days after the ABL Administrative Agent has received the applicable Borrowing Base Certificate. If the Company fails to deliver the Borrowing Base Certificate to the ABL Administrative Agent at the time required pursuant to the ABL Credit Documentation, then the applicable margins shall be the highest applicable margins and fees set forth in the foregoing table until five (5) days after such Borrowing Base Certificate is so delivered.

PROJECT VISION
Conditions

The availability and initial funding of the Credit Facilities shall be subject to the satisfaction (or waiver by the Commitment Parties) of solely the following conditions (subject to the Limited Conditionality Provision). Capitalized terms used but not defined herein have the meanings set forth in the Commitment Letter to which this Exhibit D is attached and in Exhibits A, B and C thereto.

1. Each Loan Party thereto shall have executed and delivered the Credit Documentation on terms consistent with the Commitment Letter, and the Administrative Agents shall have received:

- a. customary closing certificates, corporate and organizational documents, good standing certificates and customary legal opinions; and
- b. a certificate from the chief financial officer of the Company, in the form attached as Annex I to this Exhibit D, certifying that the Company and its subsidiaries, on a consolidated basis after giving effect to the Transactions and the other transactions contemplated hereby, are solvent.

2. Substantially concurrently with the initial funding of the Credit Facilities, the Refinancing shall have been consummated, after giving effect to the Transactions, neither the Company nor any of its subsidiaries (including, for the avoidance of doubt, the Target and its subsidiaries) shall have any indebtedness for borrowed money other than the Credit Facilities, Permitted Surviving Debt and certain other indebtedness to be mutually agreed upon and the Equity Contribution shall have been consummated. The Administrative Agents shall have received reasonably satisfactory evidence of repayment of all indebtedness to be repaid on the Closing Date and the discharge (or the making of arrangements for discharge) of all related guarantees and liens. “Permitted Surviving Debt” shall mean (i) ordinary course purchase money, capital lease, equipment and similar financings, (ii) with respect to the Target and its subsidiaries, any indebtedness permitted by the Purchase Agreement to remain outstanding following the Closing Date, (iii) intercompany debt among the Company and its subsidiaries or among the Target and its subsidiaries and (iv) any other financing agreed by the Lead Arrangers, such agreement not to be unreasonably withheld, conditioned or delayed.

3. The Acquisition shall, substantially concurrently with the initial funding of the Credit Facilities, be consummated pursuant to the Purchase Agreement and no provision thereof shall have been amended, modified or waived, and no consent or request shall have been given under the Purchase Agreement, in any way that is materially adverse to the Lenders in their capacities as such without consent of the Lead Arrangers (such consent not to be unreasonably withheld, conditioned or delayed (it being understood and agreed that any modification, amendment, waiver, request or consents by you that results in (x) an increase to the purchase price shall be deemed to not be materially adverse to the Lenders so long as such increase is funded solely with an issuance of common equity of the Company or other equity reasonably acceptable to the Lead Arrangers, and (y) a decrease to the purchase price shall be deemed to not be materially adverse to the Lenders so long as (I) such reduction is allocated to reduce the commitments under the Term Loan Facility and (II) such reduction (other than pursuant to any purchase price or similar adjustment provision set forth in the Purchase Agreement) does not decrease the purchase price by more than ten percent (10%) (cumulative for all such reductions)) without the prior written consent of the Commitment Parties (not to be unreasonably withheld, conditioned or delayed).

4. The closing and effectiveness of, and initial funding under, the Credit Facilities shall have occurred on or before the Expiration Date.

5. The Commitment Parties shall have received (a) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the (x) Company and its subsidiaries and (y) each Target and its respective subsidiaries, in each case, for the two most recently completed fiscal years ended at least ninety (90) days before the Closing Date, and (b) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the (x) Company and its subsidiaries and (y) each Target and its respective subsidiaries, in each case, for each subsequent fiscal quarter ended at least forty-five (45) days before the Closing Date. Each Commitment Party hereby acknowledges receipt of (i) the audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its subsidiaries for the fiscal years ended July 31, 2016 and July 31, 2017 and each Target and its respective subsidiaries for the fiscal years ended August 31, 2016 and August 31, 2017, and (ii) the unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its subsidiaries for the fiscal quarters ended January 31, 2018 and April 30, 2018 and each Target and its respective subsidiaries for the fiscal period ended May 31, 2018.

6. Each Commitment Party shall have received a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the Company and its subsidiaries as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period ended at least forty (45) days prior to the Closing Date (or, in the case of the four fiscal quarter period ended on the last day of the fiscal year of the Company, ended at least ninety (90) days prior to the Closing Date), prepared after giving effect to the Transactions (including the acquisition of the Target) as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such statement of income).

7. Each of the Specified Representations shall be true and correct in all material respects (and in all respects if qualified by material adverse effect or other materiality qualifier).

8. The Administrative Agents shall have received, at least three (3) business days prior to the Closing Date to the extent requested at least ten (10) days prior to the Closing Date, all documentation and other information required by U.S. regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

9. All fees and expenses due and payable to the Commitment Parties and the Lenders and required to be paid on or prior to the Closing Date shall have been paid or shall have been authorized to be deducted from the proceeds of the initial fundings under the Credit Facilities so long as any such fees or expenses not expressly set forth in the Fee Letters have been invoiced not less than two (2) business days prior to the Closing Date (except as otherwise reasonably agreed by the Company).

10. Subject to the Limited Conditionality Provision, all actions necessary to establish that the applicable Administrative Agent will have a perfected security interest (subject to liens permitted under the Credit Documentation) in the Collateral shall have been taken.

11. In no event shall the Closing Date occur on any date prior to November 1, 2018.

12. With respect to the ABL Facility, the ABL Administrative Agent shall have received a Borrowing Base certificate (other than with respect to the Target and its subsidiaries) in form consistent with that agreed upon in the Credit Documentation prepared as of the last day of the most recent month ending at least thirty (30) calendar days prior to the Closing Date.

FORM OF SOLVENCY CERTIFICATE

[], 20[]

This Solvency Certificate is being executed and delivered pursuant to Section [] of the Credit Agreement (the “Credit Agreement”), dated as of [], 20[], among Thor Industries, Inc. (the “Company”), the other Loan Parties party thereto from time to time, the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., as the administrative agent; the terms defined therein being used herein as therein defined.

I, [] the chief financial officer of the Company, solely in such capacity and not in an individual capacity, hereby certify that I am the chief financial officer of the Company and that I am generally familiar with the businesses and assets of the Company and its Subsidiaries (taken as a whole), I have made such other investigations and inquiries as I have deemed appropriate and I am duly authorized to execute this Solvency Certificate on behalf of the Company pursuant to the Credit Agreement.

I further certify, solely in my capacity as chief financial officer of the Company, and not in my individual capacity, as of the date hereof and after giving effect to the Transactions and the incurrence of the indebtedness and obligations being incurred in connection with the Credit Agreement and the Transactions on the date hereof, that, with respect to the Company and its Subsidiaries on a consolidated basis, (a) the sum of the liabilities of the Company and its Subsidiaries, taken as a whole, does not exceed the present fair saleable value of the assets of the Company and its Subsidiaries, taken as a whole; (b) the capital of the Company and its Subsidiaries, taken as a whole, is not unreasonably small in relation to the business of the Company and its Subsidiaries, taken as a whole, on the date hereof, and (c) the Company and its Subsidiaries, taken as a whole, do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debt as they mature in the ordinary course of business. For the purposes hereof, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, I have executed this Solvency Certificate on the date first written above.

By: _____

Name:

Title: Chief Financial Officer

RULE 13a-14(a) CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Robert W. Martin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Thor Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 controls over financial reporting.

DATE: December 6, 2018

/s/ Robert W. Martin

Robert W. Martin
President and Chief Executive Officer
(Principal executive officer)

RULE 13a-14(a) CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Colleen Zuhl, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Thor Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 controls over financial reporting.

DATE: December 6, 2018

/s/ Colleen Zuhl

Colleen Zuhl

Senior Vice President and Chief Financial Officer
(Principal financial and accounting officer)

**SECTION 1350 CERTIFICATION
OF CHIEF EXECUTIVE OFFICER**

In connection with this quarterly report on Form 10-Q of Thor Industries, Inc. for the period ended October 31, 2018, I, Robert W. Martin, President and Chief Executive Officer of Thor Industries, Inc., hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. this Form 10-Q for the period ended October 31, 2018 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 this Form 10-Q for the period ended October 31, 2018 fairly presents, in all material respects, the financial condition and results of operations of Thor Industries, Inc.

DATE: December 6, 2018

/s/ Robert W. Martin

Robert W. Martin
President and Chief Executive Officer
(Principal executive officer)

**SECTION 1350 CERTIFICATION
OF CHIEF FINANCIAL OFFICER**

In connection with this quarterly report on Form 10-Q of Thor Industries, Inc. for the period ended October 31, 2018, I, Colleen Zuhl, Senior Vice President and Chief Financial Officer of Thor Industries, Inc., hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. this Form 10-Q for the period ended October 31, 2018 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 this Form 10-Q for the period ended October 31, 2018 fairly presents, in all material respects, the financial condition and results of operations of Thor Industries, Inc.

DATE: December 6, 2018

/s/ Colleen Zuhl

Colleen Zuhl

Senior Vice President and Chief Financial Officer
(Principal financial and accounting officer)