

## **Merger Agreement Clause Summaries**

### **Concise Summary**

#### **Best Efforts**

##### **Divestiture commitments**

- + The divestiture cap applies to Target units that generated over \$140,000,000 in net sales during the fiscal year 2024, while the Parent and its Subsidiaries are not obligated to undertake any Remedy Actions for businesses and products that individually or collectively exceeded this sales threshold in the same fiscal year.
  - References: Section 5.4 (d)

##### **Litigation commitments**

- + Parent is required to defend against any litigation to ensure the Merger closes as planned.
  - References: Section 5.4 (d)

#### **Ordinary Course**

##### **Covenant**

- + The Company shall use commercially reasonable efforts to conduct the business in the ordinary course and preserve its assets and business organization.
  - References: Section 5.1

### **Fulsome Summary**

#### **Best Efforts**

##### **HSR**

- + Under the Hart-Scott-Rodino (HSR) Act, parties must file a notification within 25 business days of signing an agreement, as a mandatory condition to closing the transaction.
  - References: Section 6.1

##### **CFIUS**

- + CFIUS filing is not required under the agreement.

##### **Foreign Filing**

- + Foreign regulatory filings are not required under the agreement.

##### **Standard**

- + The parties have agreed to employ a Reasonable Best Efforts (RBE) standard in their pursuit of regulatory approvals. This standard applies specifically to compliance with the Hart-Scott-Rodino Antitrust Improvements Act (HSR) and other relevant antitrust laws. The RBE standard obligates the parties to exert considerable and diligent efforts, within reason, to satisfy the conditions and complete the necessary steps for obtaining the required regulatory clearances.
  - References: Section 5.4 (a)

### Withdrawal controls

- + The M&A agreement stipulates that neither the Company nor the Parent can withdraw any regulatory filings or applications without obtaining prior written consent from the other party. This consent must not be unreasonably withheld, conditioned, or delayed, ensuring a fair and cooperative process.
  - References: Section 5.4 (a)

### Timing agreement

- + The M&A agreement imposes a restriction on the withdrawal or modification of filings under the HSR Act without obtaining prior written consent, which must not be unreasonably withheld.
  - References: Section 5.4 (a)

### Divestiture Cap

- + The M&A agreement stipulates divestiture cap commitments for both the Target and the Buyer. For the Target, the cap applies to business units that generated over \$140 million in net sales during the fiscal year 2024. This implies that units with revenues below this threshold are exempt from any remedy obligations, thereby limiting the Target's exposure to divestiture. Conversely, the Buyer, including the Parent and its Subsidiaries, is not obligated to undertake any remedy actions concerning businesses and products of the Company and its Subsidiaries that individually or collectively exceeded \$140 million in net sales during the same fiscal year. This provision absolves the Buyer from any remedy actions related to larger revenue-generating units.
  - References: Section 5.4 (d)

### Prior Approval Commitment

- + Prior Approval Commitment are not disclosed in the agreement.

### Transaction Interference

- + The Company and its Affiliates are prohibited from selling, divesting, holding separate, leasing, licensing, transferring, disposing of, or otherwise encumbering or impairing their assets, properties, businesses, or product lines. This restriction also extends to any other actions that could potentially interfere with the agreed merger and acquisition transaction.
  - References: Section 5.4 (d)

### Second Request Certification

- + Second Request Certification are not disclosed in the agreement.
  - References: Section 5.4 (a)

### FTC Warning Letter Handling

- + There is no consideration per the contract given to the receipt of an FTC warning letter.
  - References: Section 5.4

### Ordinary Course

#### Covenant

- + The clause stipulates that the Company and its Subsidiaries are required to use commercially reasonable efforts to operate their business in the ordinary course. This includes using commercially reasonable efforts to preserve their assets and business organization. Additionally, they are to maintain existing relationships with key stakeholders such as material customers, suppliers, distributors, Governmental

Authorities, and business partners, provided these actions are consistent with the ordinary course of business. The efforts standard stated in the clause is "commercially reasonable efforts".

- References: Section 5.1